



Expanding Horizons

# RANE ENGINE VALVE LIMITED

## Q3FY17 Earnings Release



**Chennai, India, January 25, 2017** – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code: 532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the third quarter (Q3 FY17) and nine months (9M FY17) ended December 31<sup>st</sup>, 2016

### Q3 FY17 Performance

- Total Operating Income was ₹81.14 Crore for Q3 FY17 as compared to ₹82.01 Crore in the Q3 FY16, a decline of 1%
- EBITDA stood at ₹3.38 Crore as compared to ₹0.85 Crore during Q3 FY16, an increase of 300%
- EBITDA Margin at 4% for Q3 FY17 as against 1% in Q3 FY16
- Net Loss stood at ₹1.79 Crore for Q3 FY17 as compared to a loss of ₹8.47 Crore in Q3 FY16

### 9M FY17 Performance

- Total Operating Income was ₹264.15 Crore for 9M FY17 as compared to ₹256.44 Crore in the 9M FY16, an increase of 3%
- EBITDA stood at ₹11.76 Crore as compared to ₹6.22 Crore during 9M FY16, an increase of 89%
- EBITDA Margin at 4% for 9M FY17 as against 2% in 9M FY16
- Net profit (PAT) stood at ₹57.54 Crore for 9M FY17 as compared to loss of ₹5.89 Crore in 9M FY16

### Operating Highlights for Q3 FY17

- Sales to India OEMs in 2-Wheelers and Commercial Vehicles segment and India Aftermarket impacted due to demonetization
- Continued focus on operational cost reduction and lower finance costs helped in reducing the loss for the quarter
- REVL won "Best Supplier 2016 - Quality" award from Tata Motors and "Quality Award" from John Deere thereby recognizing its strong quality culture

### MANAGEMENT COMMENT

*"We had a challenging Q3 given the impact of demonetization on our business. However, despite lower revenues, our initiatives continued to yield improvement in operating performance as demonstrated in financial results. As we move forward, we anticipate pickup in demand driven by revival of 2-wheeler segment and scheduled new program launches. We remain optimistic on business and would continue to work towards improving our operating performance".*

**L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

#### FINANCIAL PERFORMANCE

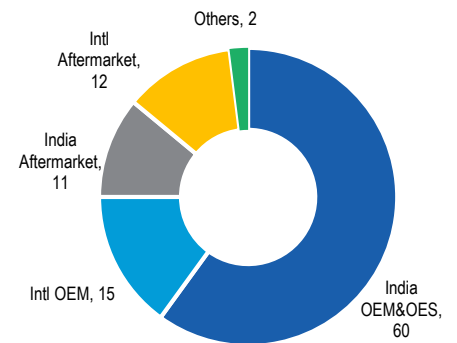
| Particulars            | Q3FY16       | Q3FY17       | YoY%   |
|------------------------|--------------|--------------|--------|
| Total Operating Income | 82.01        | 81.14        | -1%    |
| EBITDA                 | 0.85         | 3.38         | 300%   |
| EBITDA Margins         | 1%           | 4%           | 314bps |
| <b>PAT</b>             | <b>-8.47</b> | <b>-1.79</b> |        |

| Particulars            | 9MFY16       | 9MFY17       | YoY%   |
|------------------------|--------------|--------------|--------|
| Total Operating Income | 256.44       | 264.15       | 3%     |
| EBITDA                 | 6.22         | 11.76        | 89%    |
| EBITDA Margins         | 2%           | 4%           | 202bps |
| <b>PAT</b>             | <b>-5.89</b> | <b>57.54</b> |        |

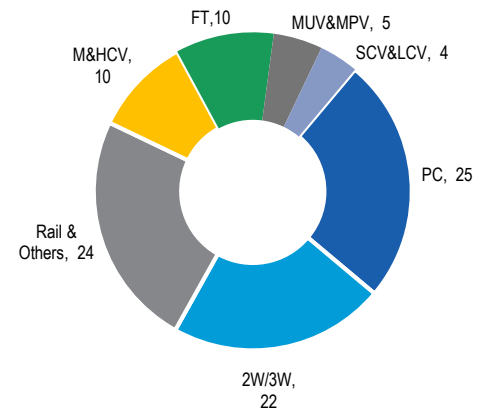
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (Q3 FY17)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

| Particulars                     | Q3 FY17      | Q2 FY17      | QoQ%        | Q3 FY16       | YoY%       | 9M FY17       | 9M FY16       | YoY %      |
|---------------------------------|--------------|--------------|-------------|---------------|------------|---------------|---------------|------------|
| Income from Operations          | 79.99        | 89.28        | -10%        | 80.45         | -1%        | 259.98        | 251.19        | 3%         |
| Other Operating Income          | 1.15         | 1.42         | -19%        | 1.56          | -26%       | 4.17          | 5.25          | -20%       |
| <b>Total Operating Income</b>   | <b>81.14</b> | <b>90.70</b> | <b>-11%</b> | <b>82.01</b>  | <b>-1%</b> | <b>264.15</b> | <b>256.44</b> | <b>3%</b>  |
| <b>Expenses</b>                 |              |              |             |               |            |               |               |            |
| -Cost of Material Consumed      | 29.34        | 30.72        | -4%         | 27.46         | 7%         | 90.28         | 89.50         | 1%         |
| -Purchase of stock-in-trade     | 1.83         | 2.13         | -14%        | 2.00          | -9%        | 5.48          | 6.22          | -12%       |
| -Changes in inventories         | -4.77        | -1.38        | -246%       | 0.69          | -791%      | -2.95         | -1.41         | -109%      |
| -Employee Benefit Expense       | 23.57        | 24.24        | -3%         | 23.75         | -1%        | 70.89         | 71.05         | 0%         |
| -Depreciation & Amortization    | 6.76         | 7.02         | -4%         | 7.01          | -4%        | 20.85         | 20.48         | 2%         |
| -Other Expenditure              | 28.27        | 34.29        | -18%        | 28.02         | 1%         | 90.67         | 87.48         | 4%         |
| <b>Total Expenses</b>           | <b>85.01</b> | <b>97.03</b> | <b>-12%</b> | <b>88.93</b>  | <b>-4%</b> | <b>275.22</b> | <b>273.32</b> | <b>1%</b>  |
| <b>EBIT Before Other Income</b> | <b>-3.87</b> | <b>-6.34</b> | <b>39%</b>  | <b>-6.92</b>  | <b>44%</b> | <b>-11.07</b> | <b>-16.88</b> | <b>34%</b> |
| Other Income                    | 0.49         | 1.27         | -61%        | 0.75          | -35%       | 1.97          | 2.63          | -25%       |
| Finance Costs                   | 1.83         | 2.80         | -35%        | 3.65          | -50%       | 7.96          | 10.81         | -26%       |
| Exceptional Item                | -            | 94.02        |             | -2.41         |            | 94.02         | 17.49         |            |
| <b>PBT</b>                      | <b>-5.21</b> | <b>86.14</b> |             | <b>-12.23</b> |            | <b>76.96</b>  | <b>-7.58</b>  |            |
| Tax Expense                     | -3.42        | 24.22        |             | -3.76         |            | 19.42         | -1.69         |            |
| <b>PAT</b>                      | <b>-1.79</b> | <b>61.93</b> |             | <b>-8.47</b>  |            | <b>57.54</b>  | <b>-5.89</b>  |            |

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

## ABOUT RANE ENGINE VALVE LIMITED

Established in 1959, Rane Engine Valve Limited (REVL) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. REVL manufactures engine valves, valve guides and tappets for various IC engine applications. REVL is market leader in Indian OEM and replacement markets. REVL caters to all segments of automobile industries such as PV, CV, Tractors, 2W, 3W, stationary engines, railways and marine engines.

## 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 manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems and Die-casting products. 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,  
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