



Expanding Horizons

RANE ENGINE VALVE LIMITED

Q1FY20 Earnings Release



Chennai, India, July 29, 2019 – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the first quarter (Q1 FY20) ended June 30th, 2019.

Q1 FY20 Performance

- Total Net Revenue was ₹104.1 Crore for Q1 FY20 as compared to ₹103.1 Crore in Q1 FY19, an increase of 0.9%
- EBITDA stood at ₹3.3 Crore as compared to ₹3.4 Crore during Q1 FY19, a decrease of 2.7%
- EBITDA Margin at 3.1% for Q1 FY20 as against 3.3% in Q1 FY19, a decrease of 12 basis points (bps)
- Net Loss of ₹4.2 Crore for Q1 FY20 as compared to a loss of ₹4.4 Crore in Q1 FY19

Operating Highlights for Q1 FY20

- Sales to Indian OE customers declined 9%. Volume drop mainly in two wheeler and commercial vehicle segments affected the sales.
- Sales to International customers grew by 22% supported by ramp up in supplies to key OE customer.
- EBITDA margin declined marginally by 12 bps
 - Adverse forex movement and increase in employee costs were partially offset by improvements in operational performance.

MANAGEMENT COMMENT

“REVL posted marginal sales growth in the current tough demand environment supported by higher exports. The plants continued to achieve operational performance improvements. Though the current market slowdown creates headwinds for our turnaround plan, we are focusing on further cost reduction initiatives.”

L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

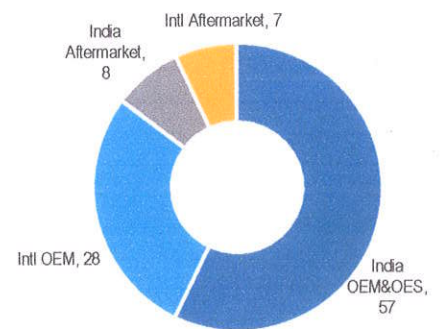
Financial Performance

Particulars	Q1 FY 20	Q1 FY 19	YOY%
Total Net Revenue	104.1	103.1	0.9%
EBITDA	3.3	3.4	-2.7%
Margin (%)	3.1%	3.3%	-12 bps
PAT	-4.2	-4.4	2.7%

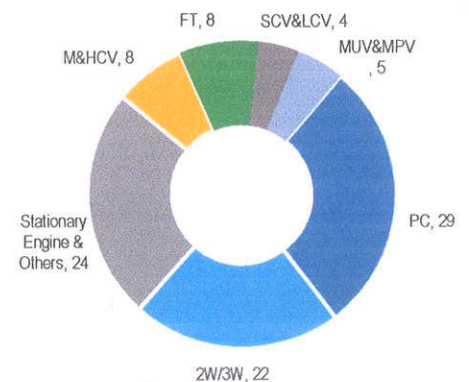
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q1 FY20)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



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PROFIT AND LOSS ACCOUNT

Particulars	Q1FY20	Q4FY19	QoQ%	Q1FY19	YoY%
Income from Operations	100.8	103.0	-2%	100.7	0%
Other Operating Income	2.2	3.0	-26%	1.8	22%
Other Income	1.0	0.4	145%	0.6	73%
Total Revenue	104.1	106.5	-2%	103.1	1%
Expenses					
-Cost of Material Consumed	40.0	44.9	-11%	44.5	-10%
-Purchase of stock-in-trade	2.1	2.6	-20%	2.9	-29%
-Changes in inventories	3.6	-6.3	156%	-3.4	204%
-Employee Benefit Expense	28.8	26.7	8%	27.9	3%
-Finance Cost	2.5	2.7	-7%	2.4	3%
-Depreciation & Amortization	7.3	7.7	-5%	7.6	-4%
-Other Expenditure	26.4	30.6	-14%	27.9	-5%
Total Expenses	110.6	108.8	2%	109.8	1%
PBT before Exceptional Items	-6.5	-2.3	-178%	-6.7	2%
Exceptional Item	-	-		-	
PBT	-6.5	-2.3	-178%	-6.7	2%
Tax Expense	-2.3	-0.7	-236%	-2.3	1%
PAT	-4.2	-1.7	-154%	-4.4	3%

(In ₹ Crore, unless otherwise mentioned. The sum of 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 provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products 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 DPINGLE@CHRISTENSENIR.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.