



Expanding Horizons

RANE ENGINE VALVE LIMITED

Q2FY22 Earnings Release



Chennai, India, October 21, 2021 – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the second quarter (Q2 FY22) and six months (H1 FY22) ended September 30th, 2021.

Q2 FY22 Performance

- Total Revenue was ₹100.4 Crore for Q2 FY22 compared to ₹83.4 Crore in the Q2 FY21, an increase of 20.4%
- EBITDA stood at ₹3.5 Crore compared to ₹3.9 Crore during Q2 FY21
- EBITDA Margin at 3.5% for Q2 FY22 against 4.6% in Q2 FY21
- Net Loss stood at ₹3.1 Crore for Q2 FY22 compared to Loss of ₹3.5 Crore in Q2 FY21

H1 FY22 Performance

- Total Revenue was ₹176.4 Crore for H1 FY22 compared to ₹113.9 Crore in the H1 FY21, an increase of 54.9%
- EBITDA stood at ₹1.3 Crore compared to ₹-12.7 Crore during H1 FY21
- EBITDA Margin at 0.7% for H1 FY22 against -11.1% in H1 FY21
- Net Loss stood at ₹8.9 Crore for H1 FY22 compared to Loss of ₹19.8 Crore in H1 FY21

Operating Performance for Q2 FY22

- Sales to Indian OE customers grew 15%. Experienced strong demand from passenger vehicle and commercial vehicle segment.
- Sales to International customers increased by 20%. The schedules from International OE customers was affected by semiconductor shortage. However robust order flow from International Aftermarket customers helped post healthy growth.
- Sales to Indian Aftermarket customers grew 42%.
- Increase in material cost, employee cost and other costs resulted in drop in EBITDA margin by 112 bps.

MANAGEMENT COMMENT

“REVL experienced strong growth across market segments. Despite operational improvements, increase in material and employee cost impacted the profitability. Demand revival continues to be strong however the supply constraints due to semiconductor shortage remains a concern. Further increase in the commodity prices poses a challenge. The management team continues to implement various cost reduction and operational improvement initiatives to mitigate the inflationary pressure.”

L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

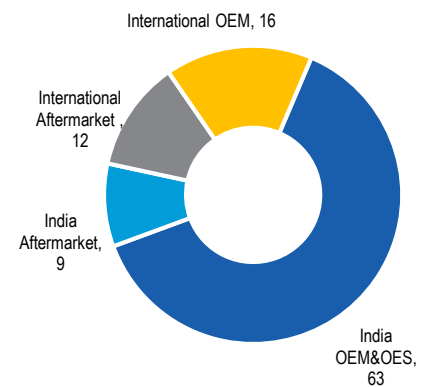
Particulars	Q2 FY22	Q2 FY21	YOY%
Total Revenue	100.4	83.4	20.4%
EBITDA	3.5	3.9	-8.7%
Margin (%)	3.5%	4.6%	-112 bps
PAT	-3.1	-3.5	10.5%

Particulars	H1 FY22	H1 FY21	YOY%
Total Revenue	176.4	113.9	54.9%
EBITDA	1.3	-12.7	109.9%
Margin (%)	0.7%	-11.1%	1183 bps
PAT	-8.9	-19.8	55.1%

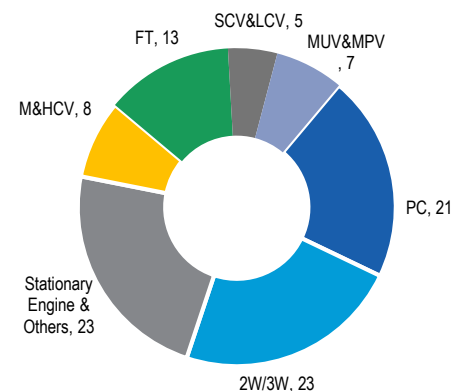
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY22)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Q2FY22	Q1FY22	QoQ%	Q2FY21	YoY%	H1 FY22	H1 FY21	YoY%
Income from Operations	99.6	75.4	32%	82.1	21%	175.0	112.4	56%
Other Income	0.8	0.6	36%	1.3	-41%	1.3	1.5	-13%
Total Revenue	100.4	76.0	32%	83.4	20%	176.4	113.9	55%
Expenses								
-Cost of Material Consumed	41.9	33.7	24%	26.2	60%	75.6	34.5	119%
-Purchase of stock-in-trade	2.2	1.4	58%	1.1	96%	3.6	1.4	149%
-Changes in inventories	-2.4	-7.8		10.8		-10.1	18.9	
-Employee Benefit Expense	28.5	27.0	6%	22.0	30%	55.5	41.7	33%
-Finance Cost	2.0	1.6	21%	2.6	-23%	3.6	4.9	-26%
-Depreciation & Amortization	5.1	5.0	2%	5.8	-11%	10.1	12.1	-16%
-Other Expenditure	26.6	23.9	12%	19.4	37%	50.5	30.0	68%
Total Expenses	103.9	84.9	22%	87.9	18%	188.8	143.5	32%
PBT before Exceptional Items	-3.6	-8.9	60%	-4.5	21%	-12.5	-29.6	58%
Exceptional Item	-0.9	-		-0.8		-0.9	-0.8	
PBT	-4.5	-8.9	50%	-5.3	16%	-13.4	-30.4	56%
Tax Expense	-1.4	-3.1		-1.8		-4.5	-10.6	58%
PAT	-3.1	-5.8	47%	-3.5	11%	-8.9	-19.8	55%

KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2021	As at 31.03.2021
Non-current assets	140.7	137.4
-Property, Plant and Equipment	84.7	91.8
-Financial Assets	5.6	5.9
Current assets	167.7	164.9
- Inventories	71.2	55.8
-Trade receivables	72.3	77.4
-Cash and cash equivalents	14.1	23.7
Total Assets	308.4	302.3
Shareholders Fund	96.4	105.2
Non-current liabilities	59.3	68.2
-Long-term borrowings	41.2	51.6
Current liabilities	152.8	128.9
-Short-term borrowings	86.2	62.8
-Trade payables	54.7	56.0
Total Liabilities	212.0	197.1
Total Equity and Liabilities	308.4	302.3

(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 provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, light metal 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 stationary 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.