



Expanding Horizons

# RANE ENGINE VALVE LIMITED

## FY20 Earnings Release



**Chennai, India, June 19, 2020** – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the financial year (FY20) ended March 31, 2020.

### FY20 Performance

- Total Net Revenue was ₹358.1 Crore for FY20 as compared to ₹424.9 Crore in FY19, a decrease of 15.7%
- EBITDA stood at ₹13.3 Crore as compared to ₹19.9 Crore during FY19, a decrease of 33.2%
- EBITDA Margin at 3.7% for FY20 as against 4.7% in FY19, a decrease of 97 basis point (bps)
- Net Loss of ₹16.3 Crore for FY20 as compared to a loss of ₹13.6 Crore in FY19

### Operating Highlights

- Sales to Indian OE customers declined 16%. Volume drop across major segments.
- Sales to International customers declined 13%.
- EBITDA margin declined by 97 bps
  - Steep drop in volume resulted in drop in EBITDA which was partially mitigated by favourable raw material price and operational performance improvement.

### MANAGEMENT COMMENT

*“FY20 was a challenging year for REVL given the volume drop across market segments. The operational improvements helped to partially mitigate the impact of lower volumes. The Covid-19 pandemic has significantly affected the business and disrupted the turnaround efforts. The company is working on various cost savings initiatives including a management salary reduction of 10% to 35% from junior to senior level employees respectively to reduce the impact. These efforts and healthy order book position of the company will help the turnaround plan once the market recovers”*

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

### BUSINESS HIGHLIGHTS

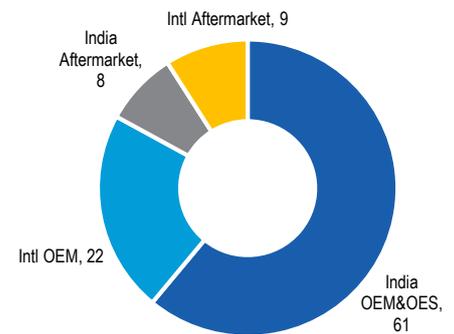
#### Financial Performance

Particulars	FY 20	FY 19	YOY%
Total Net Revenue	358.1	424.9	-15.7%
EBITDA	13.3	19.9	-33.2%
Margin (%)	3.7%	4.7%	-97 bps
PAT	-16.3	-13.6	-19.9%

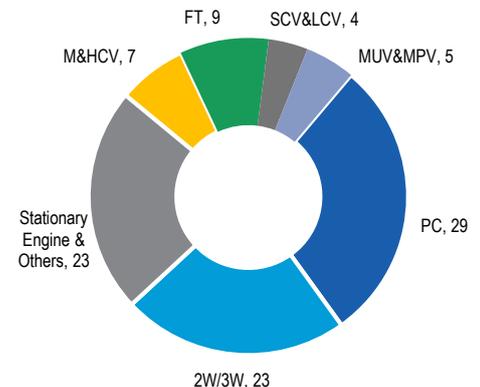
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (FY20)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

Particulars	FY20	FY19	YoY%
Income from Operations	347.4	413.0	-16%
Other Operating Income	7.6	9.6	-21%
Other Income	3.2	2.2	41%
<b>Total Revenue</b>	<b>358.1</b>	<b>424.9</b>	<b>-16%</b>
<b>Expenses</b>			
-Cost of Material Consumed	137.9	184.4	-25%
-Purchase of stock-in-trade	5.4	10.8	-50%
-Changes in inventories	1.4	-20.1	
-Employee Benefit Expense	103.6	111.5	-7%
-Finance Cost	10.5	9.9	6%
-Depreciation & Amortization	28.1	30.5	-8%
-Other Expenditure	96.4	118.2	-18%
<b>Total Expenses</b>	<b>383.4</b>	<b>445.3</b>	<b>-14%</b>
<b>PBT before Exceptional Items</b>	<b>-25.3</b>	<b>-20.5</b>	<b>-23%</b>
Exceptional Item	-	-	
<b>PBT</b>	<b>-25.3</b>	<b>-20.5</b>	<b>-23%</b>
Tax Expense	-9.0	-6.9	-30%
<b>PAT</b>	<b>-16.3</b>	<b>-13.6</b>	<b>-20%</b>

## KEY BALANCE SHEET ITEMS

Particulars	As at 31.03.2020	As at 31.03.2019	Change
<b>Non-current assets</b>	<b>149.5</b>	<b>161.9</b>	<b>-12.4</b>
-Property, Plant and Equipment	108.0	125.0	-17.0
-Financial Assets	5.9	5.7	0.2
<b>Current assets</b>	<b>152.9</b>	<b>181.2</b>	<b>-28.2</b>
- Inventories	76.2	80.1	-4.0
-Trade receivables	62.6	83.6	-21.0
-Cash and cash equivalents	1.0	2.2	-1.2
<b>Total Assets</b>	<b>302.5</b>	<b>343.1</b>	<b>-40.6</b>
<b>Shareholders Fund</b>	<b>111.0</b>	<b>127.3</b>	<b>-16.3</b>
<b>Non-current liabilities</b>	<b>47.9</b>	<b>49.3</b>	<b>-1.4</b>
-Long-term borrowings	33.7	36.4	-2.7
<b>Current liabilities</b>	<b>143.6</b>	<b>166.4</b>	<b>-22.8</b>
-Short-term borrowings	77.5	81.5	-4.0
-Trade payables	47.6	58.2	-10.5
<b>Total Liabilities</b>	<b>191.5</b>	<b>215.8</b>	<b>-24.2</b>
<b>Total Equity and Liabilities</b>	<b>302.5</b>	<b>343.1</b>	<b>-40.5</b>

(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](mailto:INVESTORSERVICES@RANEGROUP.COM) OR [DPINGLE@CHRISTENSENIR.COM](mailto:DPINGLE@CHRISTENSENIR.COM)

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