



Expanding Horizons

# RANE ENGINE VALVE LIMITED

## Q2FY21 Earnings Release



**Chennai, India, October 23, 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 second quarter (Q2 FY21) and six months (H1 FY21) ended September 30th, 2020.

### Q2 FY21 Performance

- Total Revenue was ₹83.4 Crore for Q2 FY21 as compared to ₹94.6 Crore in the Q2 FY20, a decrease of 11.9%
- EBITDA stood at ₹3.9 Crore as compared to ₹4.5 Crore during Q2 FY20, a decrease of 13.9%
- EBITDA Margin at 4.6% for Q2 FY21 as against 4.7% in Q2 FY20, a decrease of 11 basis points (bps)
- Net loss stood at ₹3.5 Crore for Q2 FY21 as compared to Loss of ₹3.7 Crore in Q2 FY20

### H1 FY21 Performance

- Total Revenue was ₹113.9 Crore for H1 FY21 as compared to ₹198.6 Crore in the H1 FY20, a decrease of 42.7%
- EBITDA stood at ₹-12.7 Crore as compared to ₹7.8 Crore during H1 FY20, a decrease of 263.4%
- EBITDA Margin at -11.1% for H1 FY21 as against 3.9% in H1 FY20
- Net loss stood at ₹19.8 Crore for H1 FY21 as compared to Loss of ₹7.9 Crore in H1 FY20

### Operating Performance for Q2 FY21

- Sales to Indian OE customers declined 8%. Volume drop in passenger car segment particularly diesel vehicles impacted the sales.
- Sales to International customers declined 15%. Lower offtake from key customers
- Better fixed cost control and reduction in manufacturing costs due to improvement in operational performance helped to mitigate adverse product mix and manage the EBITDA margin despite drop in volume

### MANAGEMENT COMMENT

“We saw gradual improvement in the demand environment with the opening of the economy. The plant operations faced supply chain and labour availability challenges while ramping up production levels. The cost reduction measures and better operational performance helped to manage the margin despite lower volume. We remain cautiously optimistic about sustenance of the demand post festive season.”

– L. Ganesh, Chairman, Rane Group

### BUSINESS HIGHLIGHTS

#### Financial Performance

| Particulars   | Q2 FY 21 | Q2 FY 20 | YOY%    |
|---------------|----------|----------|---------|
| Total Revenue | 83.4     | 94.6     | -11.9%  |
| EBITDA        | 3.9      | 4.5      | -13.9%  |
| Margin (%)    | 4.6%     | 4.7%     | -11 bps |
| PAT           | -3.5     | -3.7     |         |

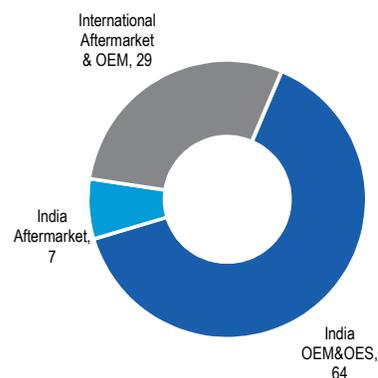
| Particulars   | H1 FY 21 | H1 FY 20 | YOY%    |
|---------------|----------|----------|---------|
| Total Revenue | 113.9    | 198.6    | -42.7%  |
| EBITDA        | -12.7    | 7.8      | -263.4% |
| Margin (%)    | -11.1%   | 3.9%     |         |
| PAT           | -19.8    | -7.9     |         |

(In ₹ Crore, unless otherwise mentioned)

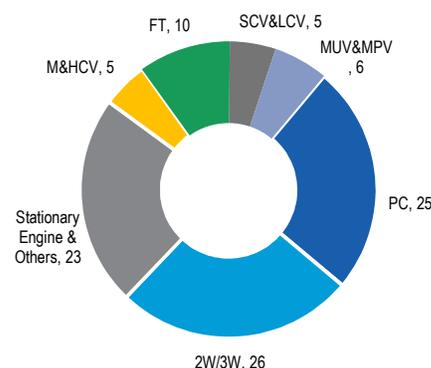
Note: The H1 FY21 results are not comparable to the corresponding period of the previous year due to the truncated period of operations due to lockdown in the Q1 FY21 impacting overall H1 FY21

### BUSINESS SPLIT (Q2 FY21)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

|                                     | Q2FY21      | Q1FY21       | QoQ%        | Q2FY20       | YoY%        | H1FY21       | H1FY20       | YoY%        |
|-------------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|--------------|-------------|
| Income from Operations              | 80.5        | 29.6         | 172%        | 90.3         | -11%        | 110.2        | 191.1        | -42%        |
| Other Operating Income              | 1.5         | 0.6          | 139%        | 2.3          | -32%        | 2.2          | 4.5          | -52%        |
| Other Income                        | 1.3         | 0.2          | 445%        | 2.0          | -35%        | 1.5          | 3.0          | -49%        |
| <b>Total Revenue</b>                | <b>83.4</b> | <b>30.5</b>  | <b>173%</b> | <b>94.6</b>  | <b>-12%</b> | <b>113.9</b> | <b>198.6</b> | <b>-43%</b> |
| <b>Expenses</b>                     |             |              |             |              |             |              |              |             |
| -Cost of Material Consumed          | 26.2        | 8.2          | 218%        | 36.2         | -27%        | 34.5         | 76.1         | -55%        |
| -Purchase of stock-in-trade         | 1.1         | 0.3          | 250%        | 1.3          | -13%        | 1.4          | 3.4          | -57%        |
| -Changes in inventories             | 10.7        | 8.1          |             | 0.3          |             | 18.9         | 3.8          |             |
| -Employee Benefit Expense           | 22.0        | 19.8         | 11%         | 26.9         | -18%        | 41.7         | 55.7         | -25%        |
| -Finance Cost                       | 2.6         | 2.3          | 12%         | 3.0          | -15%        | 4.8          | 5.5          | -12%        |
| -Depreciation & Amortization        | 5.8         | 6.3          | -8%         | 7.1          | -19%        | 12.1         | 14.4         | -16%        |
| -Other Expenditure                  | 19.4        | 10.6         | 84%         | 25.5         | -24%        | 30.0         | 51.9         | -42%        |
| <b>Total Expenses</b>               | <b>87.8</b> | <b>55.6</b>  | <b>58%</b>  | <b>100.3</b> | <b>-12%</b> | <b>143.5</b> | <b>210.8</b> | <b>-32%</b> |
| <b>PBT before Exceptional Items</b> | <b>-4.5</b> | <b>-25.1</b> |             | <b>-5.7</b>  |             | <b>-29.6</b> | <b>-12.2</b> |             |
| Exceptional Item                    | -0.8        | -            |             | -            |             | -0.8         | -            |             |
| <b>PBT</b>                          | <b>-5.3</b> | <b>-25.1</b> |             | <b>-5.7</b>  |             | <b>-30.4</b> | <b>-12.2</b> |             |
| Tax Expense                         | -1.8        | -8.8         |             | -2.0         |             | -10.6        | -4.3         |             |
| <b>PAT</b>                          | <b>-3.5</b> | <b>-16.3</b> |             | <b>-3.7</b>  |             | <b>-19.8</b> | <b>-7.9</b>  |             |

## KEY BALANCE SHEET ITEMS

| Particulars                         | As at 30.09.2020 |
|-------------------------------------|------------------|
| <b>Non-current assets</b>           | <b>150.9</b>     |
| -Property, Plant and Equipment      | 96.7             |
| -Financial Assets                   | 6.0              |
| <b>Current assets</b>               | <b>134.1</b>     |
| - Inventories                       | 55.1             |
| -Trade receivables                  | 62.7             |
| -Cash and cash equivalents          | 5.5              |
| <b>Total Assets</b>                 | <b>285.1</b>     |
| <b>Shareholders Fund</b>            | <b>91.0</b>      |
| <b>Non-current liabilities</b>      | <b>43.8</b>      |
| -Long-term borrowings               | 27.6             |
| <b>Current liabilities</b>          | <b>150.2</b>     |
| -Short-term borrowings              | 70.1             |
| -Trade payables                     | 48.7             |
| <b>Total Liabilities</b>            | <b>194.0</b>     |
| <b>Total Equity and Liabilities</b> | <b>285.1</b>     |

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

\* The H1 FY21 results are not comparable to the corresponding period of the previous year due to the truncated period of operations due to lockdown in the Q1 FY21 impacting overall H1 FY21

## 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 stationery Engines.

IF YOU HAVE ANY QUESTIONS OR REQUIRE FURTHER INFORMATION,  
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