



Expanding Horizons

# RANE ENGINE VALVE LIMITED

## FY18 Earnings Release



**Chennai, India, May 2, 2018** – 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 (FY18) ended March 31<sup>st</sup>, 2018

### FY18 Performance

- Total Net Revenue was ₹377.0 Crore for FY18 as compared to ₹357.6 Crore in FY17, an increase of 5.4%
- EBITDA stood at ₹15.4 Crore for FY18 as compared to ₹24.8 Crore in FY17, a decline of 37.7%
- EBITDA Margin at 4.1% for FY18 as against 6.9% in FY17
- Net loss of ₹17.1 Crore for FY18 as compared to profit of ₹57.7 Crore in FY17

### Operating Highlights

- Sales to Indian OEM customers grew by 10% helped by increased share of business with key domestic customers in Two-wheeler and Stationary engines segment
- GST implementation and related stabilization of process in the markets negatively impacted the aftermarket business
- Sales to International customers grew by 6.5%. This was driven by ramp up in business with a major European customer partially offset by lower offtake in International aftermarket business
- EBITDA margin dropped by 284 bps primarily driven by
  - Adverse product mix
  - Additional spend of Rs. 4 crores on Repairs & Maintenance

### MANAGEMENT COMMENT

*“REVL had favourable revenue growth supported by strong offtake by OE customers. The turnaround of REVL is underway and likely to take another 18 to 24 months. The company management is pursuing series of initiatives to stabilize operations and become profitable.”* – **L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

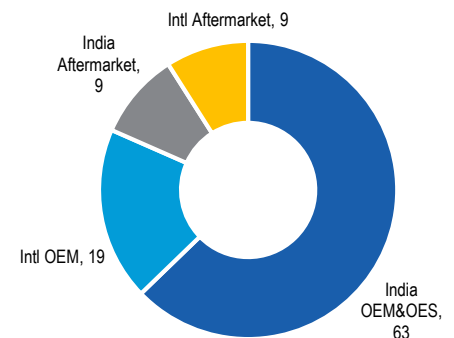
#### FINANCIAL PERFORMANCE

Particulars	FY18	FY17	YoY%
Total Net Revenue*	377.0	357.6	5.4%
EBITDA	15.4	24.8	-37.7%
Margin (%)	4.1%	6.9%	-284bps
PAT	-17.1	57.7	-129.6%

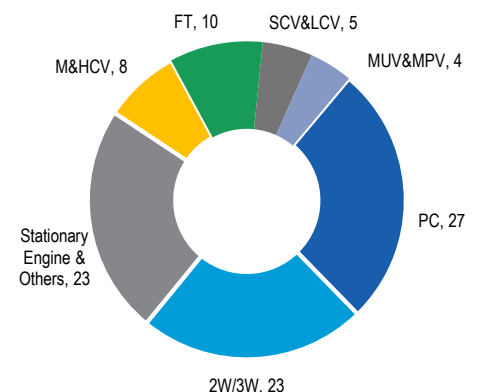
\*Revenue excludes excise duty wherever applicable  
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (FY18)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

	FY18	FY17	YoY%
Income from Operations	376.7	382.9	-2%
Other Operating Income	6.7	6.4	6%
Other Income	1.8	2.3	-25%
<b>Total Revenue</b>	<b>385.2</b>	<b>391.6</b>	<b>-2%</b>
<b>Expenses</b>			
-Cost of Material Consumed	127.9	119.3	7%
-Purchase of stock in trade	7.7	8.6	-10%
-Changes in inventories	-2.7	-0.6	-392%
-Excise Duty	8.2	34.0	-76%
-Employee Benefit Expense	101.7	93.7	9%
-Finance Cost	7.6	9.9	-24%
-Depreciation & Amortization	29.0	27.8	4%
-Other Expenditure	127.1	111.8	14%
<b>Total Expenses</b>	<b>406.3</b>	<b>404.5</b>	<b>0%</b>
<b>PBT before Exceptional Items</b>	<b>-21.1</b>	<b>-12.9</b>	<b>-64%</b>
Exceptional Item	-	90.4	-100%
<b>PBT</b>	<b>-21.1</b>	<b>77.6</b>	<b>-127%</b>
Tax Expense	-4.1	19.9	-120%
<b>PAT</b>	<b>-17.1</b>	<b>57.7</b>	<b>-130%</b>

## KEY BALANCE SHEET ITEMS

Particulars	FY18	FY17	Change
<b>Non-current assets</b>	<b>160.9</b>	<b>164.1</b>	<b>-3.2</b>
-Property, Plant and Equipment	131.8	140.5	-8.7
-Financial Assets	4.5	5.2	-0.7
<b>Current assets</b>	<b>159.5</b>	<b>141.4</b>	<b>18.0</b>
- Inventories	58.4	48.3	10.1
-Trade receivables	79.3	66.6	12.7
-Cash and cash equivalents	10.6	0.9	9.7
<b>Total Assets</b>	<b>320.4</b>	<b>306.3</b>	<b>14.0</b>
<b>Shareholders Fund</b>	<b>141.0</b>	<b>160.0</b>	<b>-19.1</b>
<b>Non-current liabilities</b>	<b>44.3</b>	<b>36.6</b>	<b>7.7</b>
-Long-term borrowings	33.3	28.8	4.4
<b>Current liabilities</b>	<b>135.1</b>	<b>109.7</b>	<b>25.4</b>
-Short-term borrowings	61.5	38.6	22.8
-Trade payables	49.8	41.0	8.7
<b>Total Liabilities</b>	<b>179.4</b>	<b>146.3</b>	<b>33.1</b>
<b>Total Equity and Liabilities</b>	<b>320.4</b>	<b>306.3</b>	<b>14.0</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 Telematics 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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