



Expanding Horizons

# RANE ENGINE VALVE LIMITED

## Q2FY19 Earnings Release



**Chennai, India, October 24, 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 second quarter (Q2 FY19) and six months (H1 FY19) ended September 30<sup>th</sup>, 2018.

### Q2 FY19 Performance

- Total Net Revenue was ₹107.8 Crore for Q2 FY19 as compared to ₹94.1 Crore in Q2 FY18, an increase of 14.6%
- EBITDA stood at ₹3.4 Crore as compared to ₹5.2 Crore during Q2 FY18, a decline of 35.1%
- EBITDA Margin at 3.1% for Q2 FY19 as against 5.5% in Q2 FY18
- Net Loss of ₹4.1 Crore for Q2 FY19 as compared to a loss of ₹2.4 Crore in Q2 FY18

### H1 FY19 Performance

- Total Net Revenue was ₹210.9 Crore for H1 FY19 as compared to ₹183.1 Crore in H1 FY18, an increase of 15.2%
- EBITDA stood at ₹6.7 Crore as compared to ₹9.8 Crore during H1 FY18, a decline of 31.5%
- EBITDA Margin at 3.2% for H1 FY19 as against 5.4% in H1 FY18
- Net Loss of ₹8.5 Crore for H1 FY19 as compared to a loss of ₹5.0 Crore in H1 FY18

### Operating Highlights for Q2 FY19

- Strong demand from Indian OE customers across segments and higher offtake by International customers
- The domestic Aftermarket Sales declined by about 6%
- EBITDA margin declined by 238 bps
  - Adverse forex movement, unfavourable product mix, increase in raw material / employee cost mainly contributed for the drop in the EBITDA margin
  - Better operational performance helped to partially offset the inflationary pressure

### MANAGEMENT COMMENT

*“REVL capitalized on robust demand environment to post strong revenue growth. We experienced inflationary pressure on commodity and employee cost. The plants improved the operational performance particularly on delivery and lower internal rejections. We continue to work on operational improvement initiatives and mitigate margin pressure through improved operational performance in the upcoming quarters.”*

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

### BUSINESS HIGHLIGHTS

#### Financial Performance

Particulars	Q2 FY 19	Q2 FY 18	YOY%
Total Net Revenue*	107.8	94.1	14.6%
EBITDA	3.4	5.2	-35.1%
Margin (%)	3.1%	5.5%	-238 bps
PAT	-4.1	-2.4	-72.8%

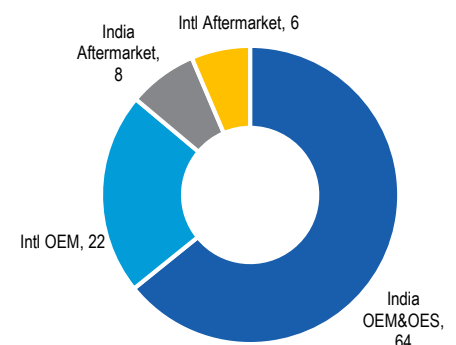
Particulars	H1 FY 19	H1 FY 18	YOY%
Total Net Revenue*	210.9	183.1	15.2%
EBITDA	6.7	9.8	-31.5%
Margin (%)	3.2%	5.4%	-217 bps
PAT	-8.5	-5.0	-67.8%

\*Revenue excludes excise duty wherever applicable

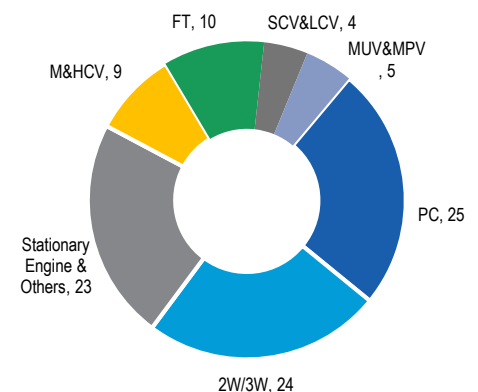
(In ₹ Crore, unless otherwise mentioned)

### BUSINESS SPLIT (Q2 FY19)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

	Q2FY19	Q1FY19	QoQ%	Q2FY18	YoY%	H1FY19	H1FY18	YoY%
Income from Operations	105.2	100.7	5%	91.8	15%	205.9	187.1	10%
Other Operating Income	2.4	1.8	33%	1.8	37%	4.3	3.2	33%
Other Income	0.1	0.6	-77%	0.5	-74%	0.7	1.0	-29%
<b>Total Revenue</b>	<b>107.8</b>	<b>103.1</b>	<b>5%</b>	<b>94.1</b>	<b>15%</b>	<b>210.9</b>	<b>191.3</b>	<b>10%</b>
<b>Expenses</b>								
-Cost of Material Consumed	46.6	44.5	5%	34.2	36%	91.1	68.7	33%
-Purchase of stock-in-trade	2.9	2.9	0%	2.0	49%	5.8	4.1	43%
-Changes in inventories	-2.8	-3.4	19%	1.9	-243%	-6.2	-0.0	
-Excise Duty	-	-		-		-	8.2	
-Employee Benefit Expense	28.7	27.9	3%	25.4	13%	56.5	49.9	13%
-Finance Cost	2.1	2.4	-15%	1.9	9%	4.5	3.6	24%
-Depreciation & Amortization	7.6	7.6	0%	6.9	11%	15.2	13.9	10%
-Other Expenditure	29.0	27.9	4%	25.4	14%	56.9	50.6	12%
<b>Total Expenses</b>	<b>114.1</b>	<b>109.8</b>	<b>4%</b>	<b>97.7</b>	<b>17%</b>	<b>223.9</b>	<b>199.0</b>	<b>13%</b>
<b>PBT before Exceptional Items</b>	<b>-6.4</b>	<b>-6.7</b>	<b>5%</b>	<b>-3.6</b>	<b>-75%</b>	<b>-13.0</b>	<b>-7.7</b>	<b>-69%</b>
Exceptional Item	-	-		-		-	-	
<b>PBT</b>	<b>-6.4</b>	<b>-6.7</b>	<b>5%</b>	<b>-3.6</b>	<b>-75%</b>	<b>-13.0</b>	<b>-7.7</b>	<b>-69%</b>
Tax Expense	-2.2	-2.3	3%	-1.2	-80%	-4.5	-2.7	-71%
<b>PAT</b>	<b>-4.1</b>	<b>-4.4</b>	<b>6%</b>	<b>-2.4</b>	<b>-73%</b>	<b>-8.5</b>	<b>-5.0</b>	<b>-68%</b>

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

## KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2018
<b>Non-current assets</b>	<b>162.7</b>
-Property, Plant and Equipment	124.9
-Financial Assets	4.7
<b>Current assets</b>	<b>162.9</b>
- Inventories	64.7
-Trade receivables	84.6
-Cash and cash equivalents	1.0
<b>Total Assets</b>	<b>325.6</b>
<b>Shareholders Fund</b>	<b>132.2</b>
<b>Non-current liabilities</b>	<b>49.8</b>
-Long-term borrowings	36.6
<b>Current liabilities</b>	<b>143.5</b>
-Short-term borrowings	62.5
-Trade payables	57.8
<b>Total Liabilities</b>	<b>193.4</b>
<b>Total Equity and Liabilities</b>	<b>325.6</b>

(In ₹ Crore)

## 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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