Rane
Expanding Horizons

RANE ENGINE VALVE LIMITED

Q3FY17 Earnings Release



Chennai, India, January 25,2017 – Rane Engine Valve Limited (NSE: RANEENGINE; BSE Code:532988), a leading manufacturer of Engine Valves, Guides and Tappets today announced financial performance for the third quarter (Q3 FY17) and nine months (9M FY17) ended December 31st, 2016

Q3 FY17 Performance

- Total Operating Income was ₹81.14 Crore for Q3 FY17 as compared to ₹82.01 Crore in the Q3 FY16, a decline of 1%
- EBITDA stood at ₹3.38 Crore as compared to ₹0.85 Crore during Q3 FY16, an increase of 300%
- EBITDA Margin at 4% for Q3 FY17 as against 1% in Q3 FY16
- Net Loss stood at ₹1.79 Crore for Q3 FY17 as compared to a loss of ₹8.47 Crore in Q3 FY16

9M FY17 Performance

- Total Operating Income was ₹264.15 Crore for 9M FY17 as compared to ₹256.44 Crore in the 9M FY16, an increase of 3%
- EBITDA stood at ₹11.76 Crore as compared to ₹6.22 Crore during 9M FY16, an increase of 89%
- EBITDA Margin at 4% for 9M FY17 as against 2% in 9M FY16
- Net profit (PAT) stood at ₹57.54 Crore for 9M FY17 as compared to loss of ₹5.89 Crore in 9M FY16

Operating Highlights for Q3 FY17

- Sales to India OEMs in 2-Wheelers and Commercial Vehicles segment and India Aftermarket impacted due to demonetization
- Continued focus on operational cost reduction and lower finance costs helped in reducing the loss for the quarter
- REVL won "Best Supplier 2016 - Quality" award from Tata Motors and "Quality Award" from John Deere thereby recognizing its strong quality culture

BUSINESS HIGHLIGHTS

FINANCIAL PERFORMANCE

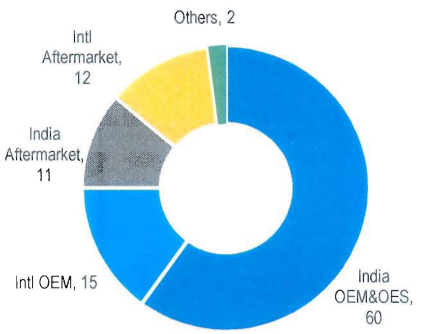
Particulars	Q3FY16	Q3FY17	YoY%
Total Operating Income	82.01	81.14	-1%
EBITDA	0.85	3.38	300%
EBITDA Margins	*1%*	*4%*	*314bps*
PAT	**-8.47**	**-1.79**	

Particulars	9MFY16	9MFY17	YoY%
Total Operating Income	256.44	264.15	3%
EBITDA	6.22	11.76	89%
EBITDA Margins	*2%*	*4%*	*202bps*
PAT	**-5.89**	**57.54**	

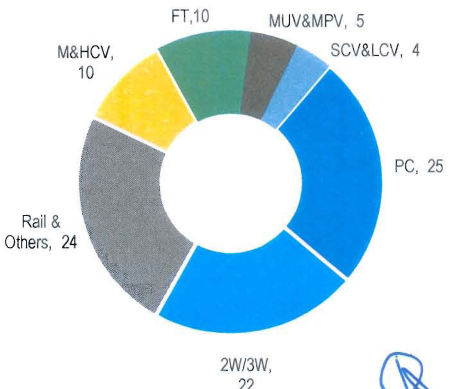
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q3 FY17)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



MANAGEMENT COMMENT

"We had a challenging Q3 given the impact of demonetization on our business. However, despite lower revenues, our initiatives continued to yield improvement in operating performance as demonstrated in financial results. As we move forward, we anticipate pickup in demand driven by revival of 2-wheeler segment and scheduled new program launches. We remain optimistic on business and would continue to work towards improving our operating performance".

L. Ganesh, Chairman, Rane Group

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

PROFIT AND LOSS ACCOUNT

Particulars	Q3 FY17	Q2 FY17	QoQ%	Q3 FY16	YoY%	9M FY17	9M FY16	YoY %
Income from Operations	79.99	89.28	-10%	80.45	-1%	259.98	251.19	3%
Other Operating Income	1.15	1.42	-19%	1.56	-26%	4.17	5.25	-20%
Total Operating Income	**81.14**	**90.70**	**-11%**	**82.01**	**-1%**	**264.15**	**256.44**	**3%**
Expenses								
-Cost of Material Consumed	29.34	30.72	-4%	27.46	7%	90.28	89.50	1%
-Purchase of stock-in-trade	1.83	2.13	-14%	2.00	-9%	5.48	6.22	-12%
-Changes in inventories	-4.77	-1.38	-246%	0.69	-791%	-2.95	-1.41	-109%
-Employee Benefit Expense	23.57	24.24	-3%	23.75	-1%	70.89	71.05	0%
-Depreciation & Amortization	6.76	7.02	-4%	7.01	-4%	20.85	20.48	2%
-Other Expenditure	28.27	34.29	-18%	28.02	1%	90.67	87.48	4%
Total Expenses	**85.01**	**97.03**	**-12%**	**88.93**	**-4%**	**275.22**	**273.32**	**1%**
EBIT Before Other Income	**-3.87**	**-6.34**	**39%**	**-6.92**	**44%**	**-11.07**	**-16.88**	**34%**
Other Income	0.49	1.27	-61%	0.75	-35%	1.97	2.63	-25%
Finance Costs	1.83	2.80	-35%	3.65	-50%	7.96	10.81	-26%
Exceptional Item	-	94.02		-2.41		94.02	17.49	
PBT	**-5.21**	**86.14**		**-12.23**		**76.96**	**-7.58**	
Tax Expense	-3.42	24.22		-3.76		19.42	-1.69	
PAT	**-1.79**	**61.93**		**-8.47**		**57.54**	**-5.89**	

(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 manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems and Die-casting products. 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 OR ANKITGUPTA@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.

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