



Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L744999TN1972PLC006127

Tel : 044 - 2811 2472
URL : www.ranegroup.com

// Online submission //

REVL/SE/51/2020-21

February 09, 2021

BSE Limited Listing Centre Scrip Code: 532988	National Stock Exchange of India Ltd. NEAPS Symbol: RANEENGINE
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Dear Sir / Madam,

Sub: Earnings Presentation – Unaudited Financial Results for the Quarter ended December 31, 2020

Ref: Our letter no. REVL / SE / 50 /2020-21 dated February 03, 2021

This is with reference to the aforementioned letter intimating Earnings Conference Call scheduled on **Wednesday, February 10, 2021 at 15:00 hours (IST)**, inter alia, to discuss the Unaudited financial results for the quarter ended December 31, 2020. We enclose herewith copy of the Earnings presentation proposed to be made thereat, to the analyst and investors.

The same is also being made available on the website of the Company, www.ranegroup.com.

We request you to take the above on record and note the compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

Thanking you.

Yours faithfully,

For **Rane Engine Valve Limited**


Vivekanandaa M
Secretary



Encl: a/a

4



Expanding Horizons

Rane Group

Earnings Presentation | Q3 FY21



February 2021

www.ranegroup.com



- › **Industry Performance Review – Q3 FY21**
- › Rane Group Performance Review – Q3 FY21
- › Group Companies Performance Highlights – Q3 FY21

Industry Performance Review (Q3 FY21)

Vehicle Segment	Production YoY Growth# in %	Rane Group Sales Growth YoY in % (India OEM)	Rane Group Revenue Split * (India OEM)
Passenger Cars (PC)	23%	20%	43%
Utility Vehicles (MUV)	21%	12%	18%
Vans	63%	39%	1%
- Total Passenger Vehicle	23%	18%	62%
Small Commercial Vehicles (SCV)	-3%	-12%	2%
Light Commercial Vehicles (LCV)	20%	42%	10%
Medium & Heavy Commercial Vehicles (M&HCV)	21%	100%	13%
- Total Commercial Vehicle	13%	57%	25%
Farm Tractors (FT)	62%	75%	8%
2-Wheeler	18%	17%	3%

* Other segments such as Rail, Defence, Stationary Engines and 3-Wheeler contribute around 2%

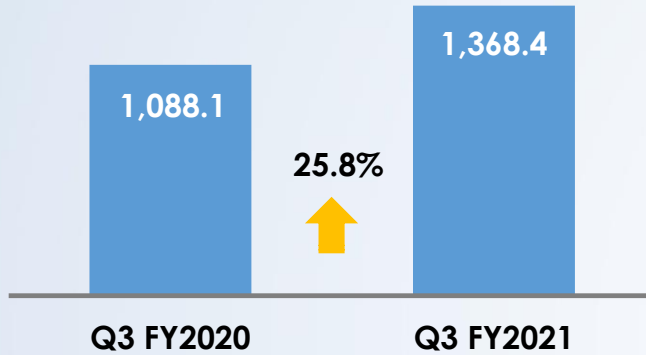
Source: SIAM

- › In passenger vehicle segment, lower growth than the industry due to higher growth of unserved models
- › In LCV segment, new business for steering resulted in higher growth; In M&HCV segment, better growth than industry is due to increased share of business and higher growth in multi-axle vehicle which resulted in higher pack value
- › Growth in Farm Tractor segment is better than industry due to new business for power steering and cylinders.
- › Lower growth in two wheeler segment due to higher growth of unserved market

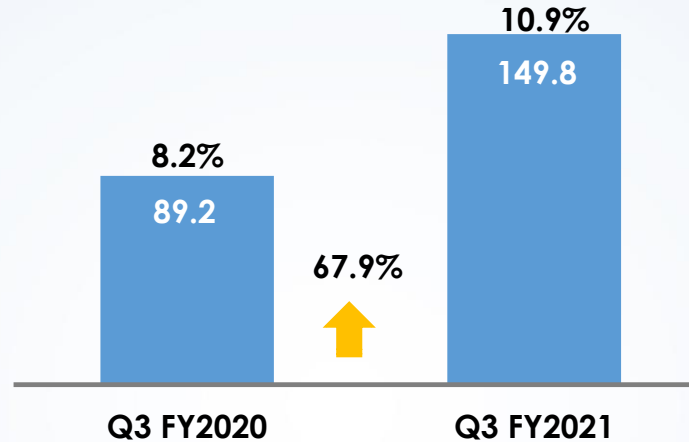
- › Industry Performance Review – Q3 FY21
- › **Rane Group Performance Review – Q3 FY21**
- › Group Companies Performance Highlights – Q3 FY21

Group Aggregate Performance Review (Q3 FY21)

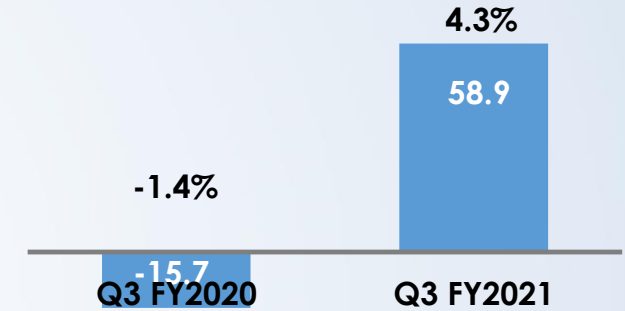
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)

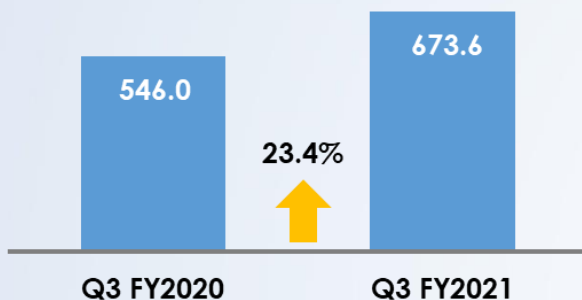


* PBT includes Exceptional items

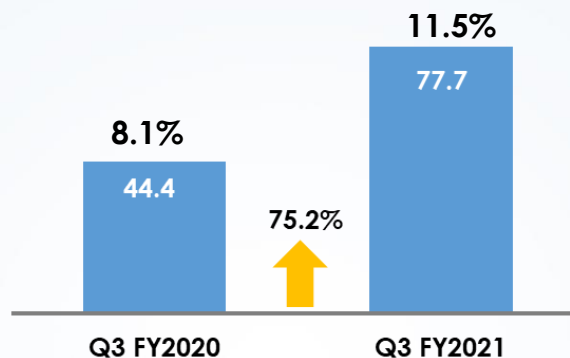
- › **Total Revenue increased by 25.8% from Rs. 1,088.1 Cr in Q3 FY20 to Rs. 1,368.4 Cr in Q3 FY21**
 - Revenue from Indian OE customers grew 28%
 - Revenues from International customers grew 28% due to strong off take for occupant safety products and new business for steering products
 - Revenue from Indian aftermarket segment grew 8%
- › **EBITDA increased from Rs. 89.2 Cr in Q3 FY20 to Rs. 149.8 Cr in Q3 FY21**
 - EBITDA margin improved by 275 bps on account of lower employee cost and fixed cost reduction.
- › **PBT for Q3 FY'21 is at Rs. 58.9 Cr as against a loss of Rs. 15.7 Cr in Q3 FY'20**

RHL Consolidated Performance Review (Q3 FY21)

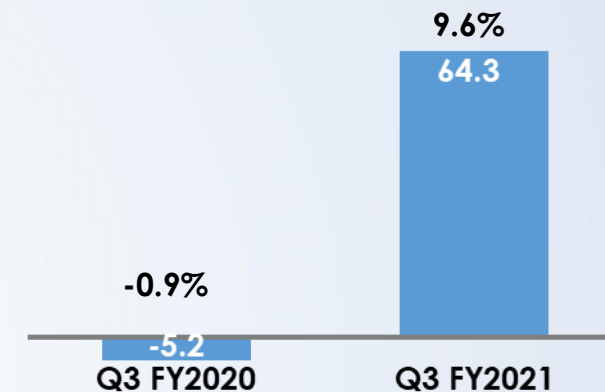
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT includes net profit/loss from JV and Exceptional items

- › Total Revenue increased by 23.4% from Rs. 546 Cr in Q3 FY20 to Rs. 673.6 Cr in Q3 FY21
- › EBITDA increased by 75.2% from Rs. 44.4 Cr in Q3 FY20 to Rs. 77.7 Cr in Q3 FY21
- › PBT for Q3 FY'21 is at Rs. 64.3 Cr as against a loss of Rs. 5.2 Cr in Q3 FY'20

Group Aggregate Performance Review (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	3,428.5	2,755.3
EBITDA	266.9	173.9
EBITDA Margin	7.8%	6.3%
PBT Before Exceptional Items	59.8	(19.6)
Exceptional Income / (Expenses)	(88.1)	(47.4)*
PBT	(28.3)	(67.0)
PBT Margin	-0.8%	-2.4%
PAT	(21.4)	(61.0)
PAT Margin	-0.6%	-2.2%
Total Comprehensive Income	(29.1)	(72.2)

* Exceptional items represents incremental provision towards product warranty claim by RNSS Rs. 70.1 Cr; income from Profit on Sale of land of Rs. 23.9 Cr and Voluntary Retirement Expenditure Rs. 1.2 Cr by REVL

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

RHL Consolidated Performance Review (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	1,681.2	1,391.7
EBITDA	129.7	81.8
EBITDA Margin	7.7%	5.9%
PBT Before Share of profit/ (loss) of JV & Exceptional Items	(2.7)	(39.9)
Share of profit/ (loss) of JV (Net of Exceptional items & Tax)	(3.6)	(11.4)
Exceptional Income / (Expenses) *	-	22.7
PBT	(6.3)	(28.6)
PBT Margin	-0.4%	-2.1%
PAT	(6.5)	(40.0)
PAT Margin	-0.4%	-2.9%
Total Comprehensive Income	(12.2)	(53.1)

* Exceptional items represents income from Profit on Sale of land of Rs. 23.9 Cr and Voluntary Retirement Expenditure Rs. 1.2 Cr by REVL

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

- › Industry Performance Review – Q3 FY21
- › Rane Group Performance Review – Q3 FY21
- › **Group Companies Performance Highlights – Q3 FY21**

Rane (Madras) Ltd.

(RML)

RML Standalone – Operational Performance Review

Market Environment

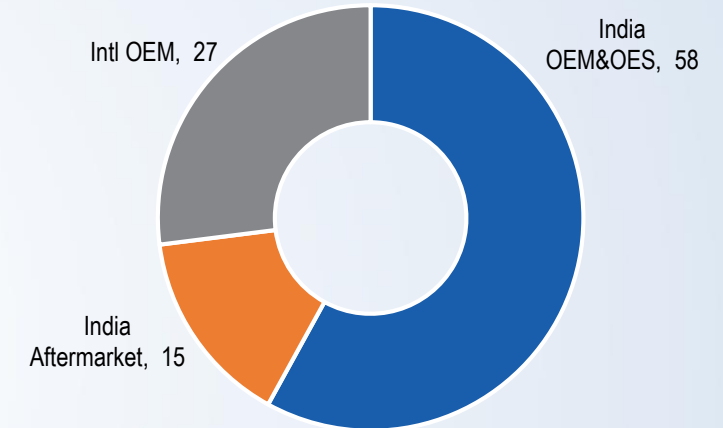
- › Strong demand across vehicle segments in Indian market
- › Strong demand from International customers for Steering products
- › Robust demand in Indian Aftermarket segment

Operational Highlights

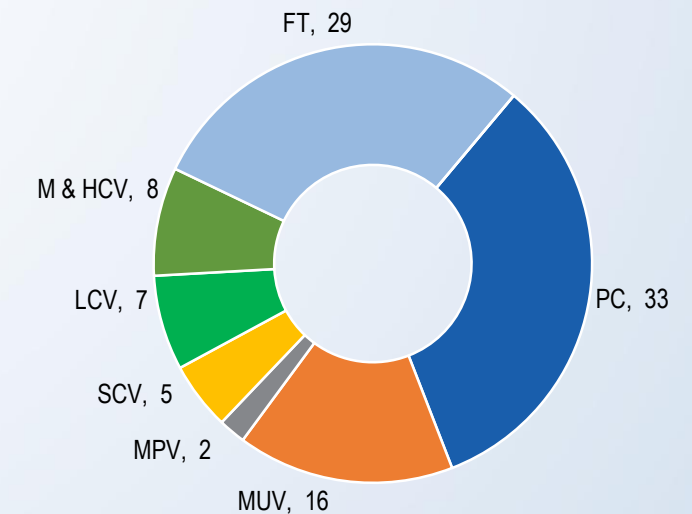
- › Achieved all time high quarterly sales and all Plants operated at full capacity.
- › Received an Award from Tata Motors for “Exceptional support during challenging times”.
- › Secured Rs. 28 Cr p.a order to supply R&P gear to a leading passenger car manufacturer in India.
- › Secured Rs. 26 Cr p.a. order from various International customers to supply steering & linkage products.
- › Secured Rs. 32 Cr p.a. order from various customers to supply Light Metal Casting Product.

Business Split (Q3 FY21)

By Market (%)

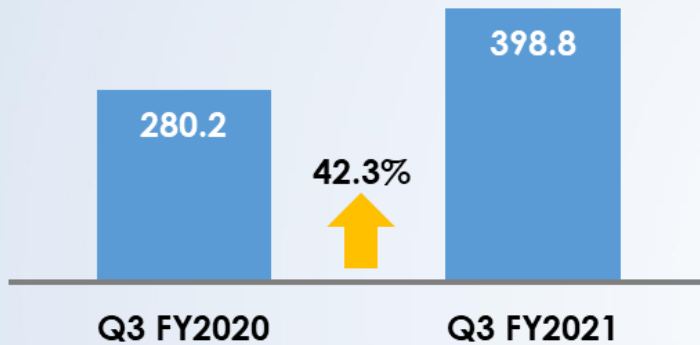


By Vehicle Segment (%)

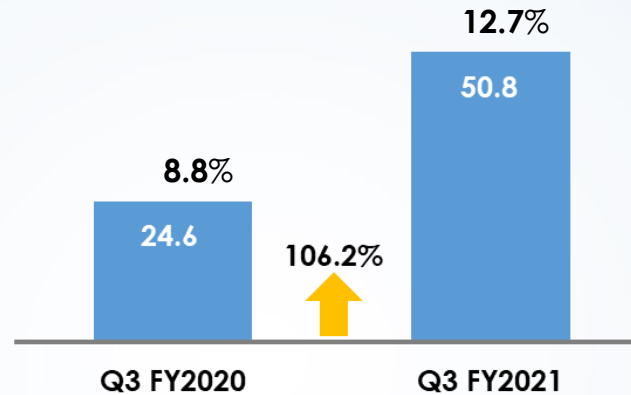


RML Standalone – Financial Performance Review

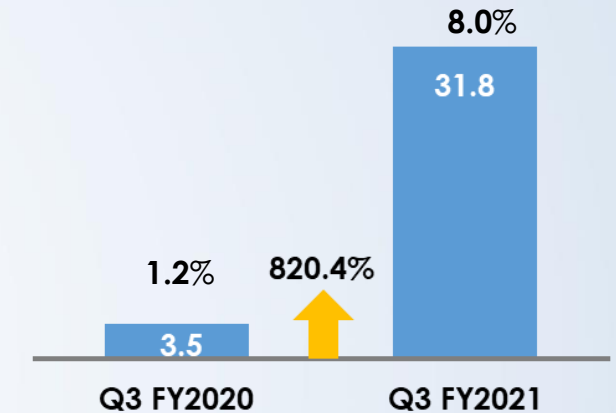
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



› **Total Revenue increased by 42.3% from Rs. 280.2 Cr in Q3 FY 20 to Rs. 398.8 Cr in Q3 FY 21**

- Sales to Indian OE customers grew by 37%. Experienced strong demand across vehicle segment
- Sales to International customers increased by 82% supported by increase in schedules for Steering and Light Metal Casting products
- Sales to Indian Aftermarket customers increased by 14%

› **EBITDA increased by 106.2% from Rs. 24.6 Cr in Q3 FY20 to Rs. 50.8 Cr in Q3 FY21**

- Cost reduction initiatives and higher volume helped to mitigate unfavourable mix and material cost increase

› **PBT for Q3 FY'21 is at Rs. 31.8 Cr as against Rs. 3.5 Cr in Q3 FY'20**

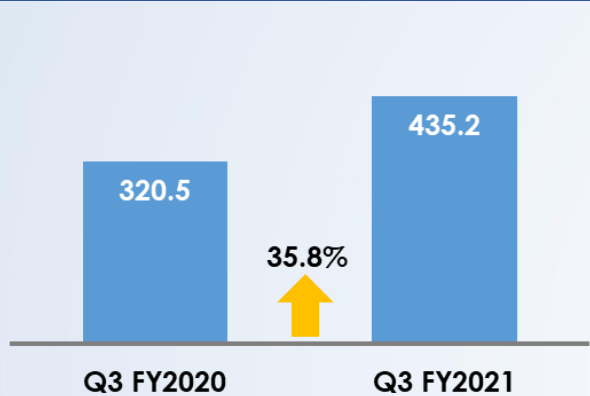
RML – Standalone Financials (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	859.8	780.8
EBITDA	74.3	67.6
EBITDA Margin	8.6%	8.7%
PBT Before Exceptional Items	11.0	9.0
Exceptional Income / (Expenses)	-	-
PBT	11.0	9.0
PBT Margin	1.3%	1.2%
PAT	9.7	6.0
PAT Margin	1.1%	0.8%
Total Comprehensive Income	8.9	8.6

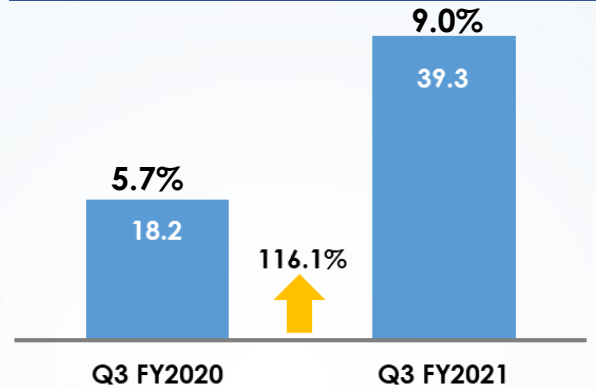
The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

RML Consolidated – Financial Performance Review

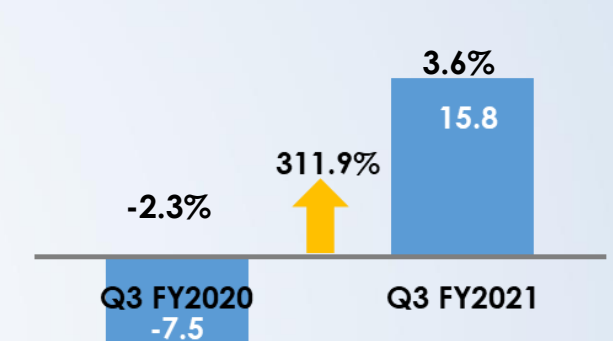
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



› **Total Revenue increased by 35.8% from Rs. 320.5 Cr in Q3 FY20 to Rs. 435.2 Cr in Q3 FY21**

- The US subsidiary experienced 13% drop in sales impacted by lower vehicle demand in US due to Covid-19 and lower volumes from key customers

› **EBITDA increased by 116.1% from Rs. 18.2 Cr in Q3 FY20 to Rs. 39.3 Cr in Q3 FY21**

- Despite operational improvements, significant drop in sales resulted in higher loss in the US subsidiary

› **PBT for Q3 FY'21 is at Rs. 15.8 Cr as against a loss of Rs. 7.5 Cr in Q3 FY'20**

RML – Consolidated Financials (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	997.9	871.6
EBITDA	49.5	27.8
EBITDA Margin	5.0%	3.2%
PBT Before Exceptional Items	(26.9)	(43.4)
Exceptional Income / (Expenses)	-	-
PBT	(26.9)	(43.4)
PBT Margin	-2.7%	-5.0%
PAT	(28.2)	(46.4)
PAT Margin	-2.8%	-5.3%
Total Comprehensive Income	(33.1)	(58.4)

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

Rane Engine Valve Ltd.

(REVL)

REVL – Operational Performance Review

Market Environment

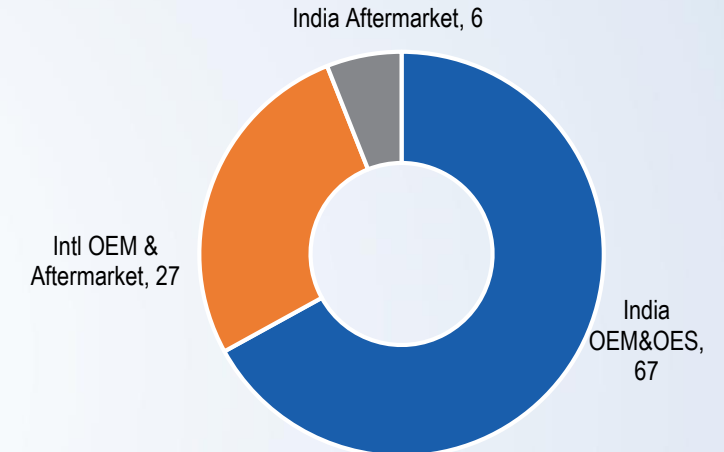
- › Unserved market growth resulted in lower growth in Indian OE segment
- › Lower offtake from International customers

Operational Highlights

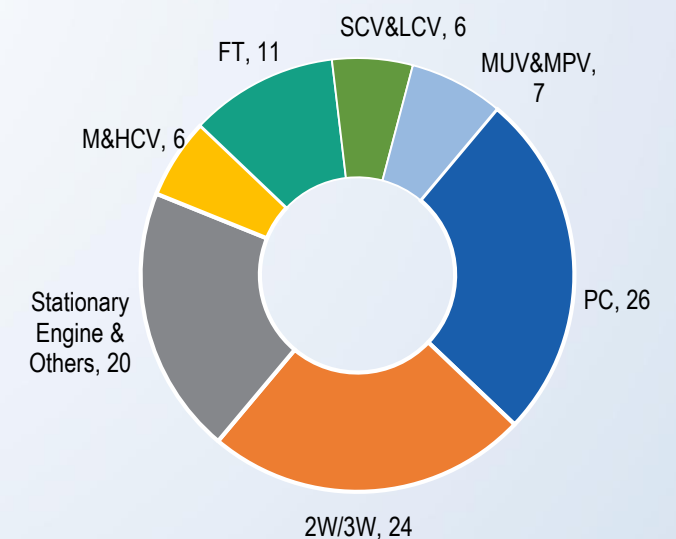
- › Plants continued to improve output despite challenges in manpower and raw material constraints.

Business Split (Q3 FY21)

By Market (%)

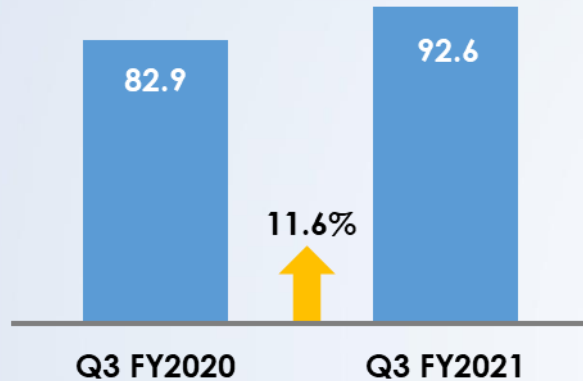


By Vehicle Segment (%)

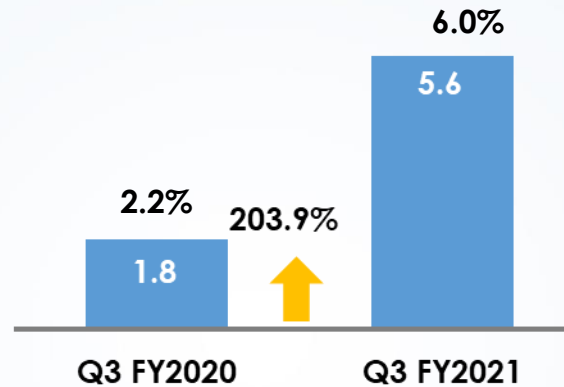


REVL – Financial Performance Review

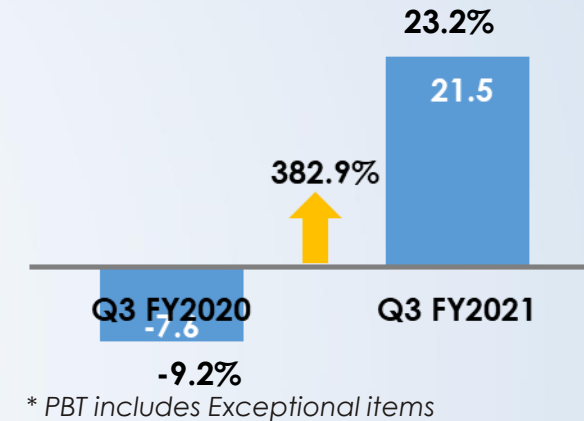
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs. cr.)



› **Total Revenue increased by 11.6% from Rs. 82.9 Cr in Q3 FY20 to Rs. 92.6 Cr in Q3 FY21**

- Sales to Indian OE customers grew by 16%.
- Sales to International customers grew by 5%

› **EBITDA increased by 203.9% from Rs. 1.8 Cr in Q3 FY20 to Rs. 5.6 Cr in Q3 FY21**

- EBITDA margin increased by 383bps on account of lower employee expenses, reduction in fixed cost and higher volume

› **PBT for Q3 FY'21 is at Rs. 21.5 Cr as against a loss of Rs. 7.6 Cr in Q3 FY'20**

- Profit on Sale of land of Rs. 23.9 Cr resulted in increase in PBT during this quarter

REVL – Financials (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	281.6	206.5
EBITDA	9.6	(7.1)
EBITDA Margin	3.4%	-3.4%
PBT Before Exceptional Items	(19.8)	(31.6)
Exceptional Income / (Expenses) *	-	22.7
PBT	(19.8)	(8.9)
PBT Margin	-7.0%	-4.3%
PAT	(12.9)	(5.6)
PAT Margin	-4.6%	-2.7%
Total Comprehensive Income	(12.7)	(5.9)

* Exceptional items of Rs. 22.7 Crore includes an income from Profit on Sale of land of Rs. 23.9 Crore and VRS related expense of ₹1.2 Crore

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

Rane Brake Lining Ltd.

(RBL)

RBL – Operational Performance Review

Market Environment

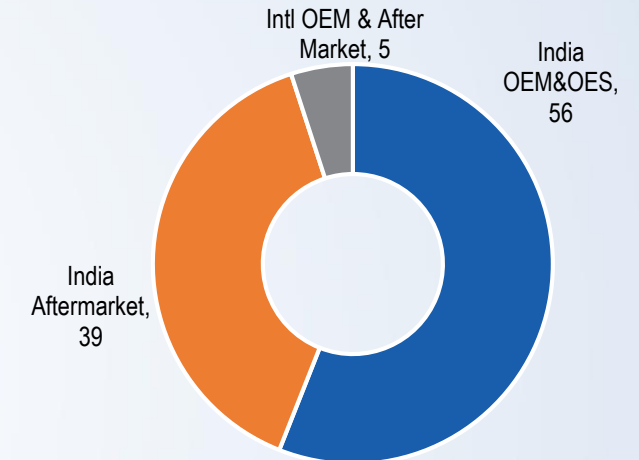
- › Robust demand from Indian Auto industry
- › Strong recovery in Aftermarket demand barring from STUs/Bus operators

Operational Highlights

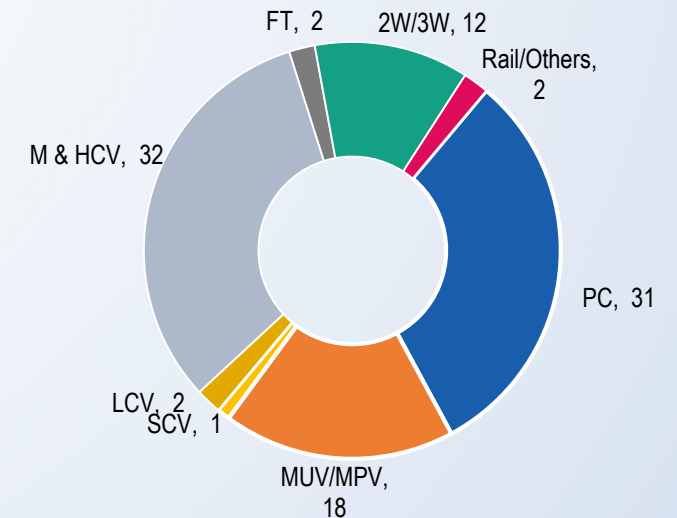
- › All Plants ramped up production to meet the higher demand and achieved 100 % schedule adherence

Business Split (Q3 FY21)

By Market (%)

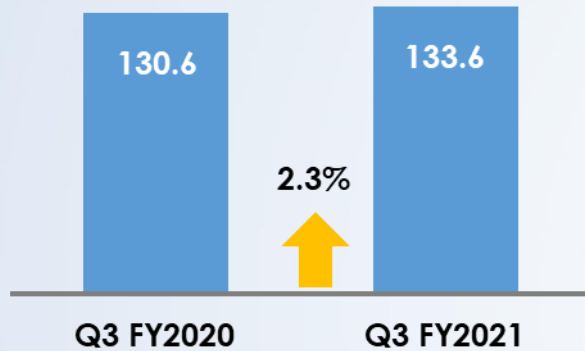


By Vehicle Segment (%)

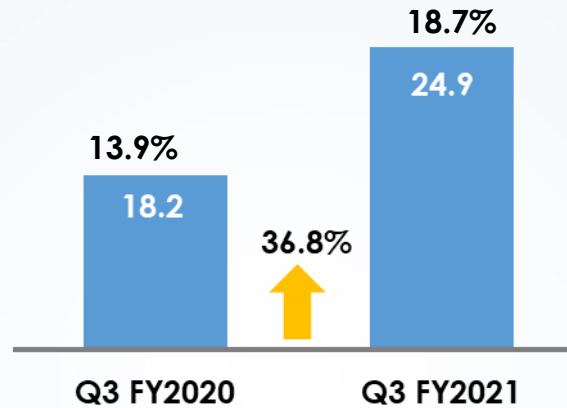


RBL – Financial Performance Review

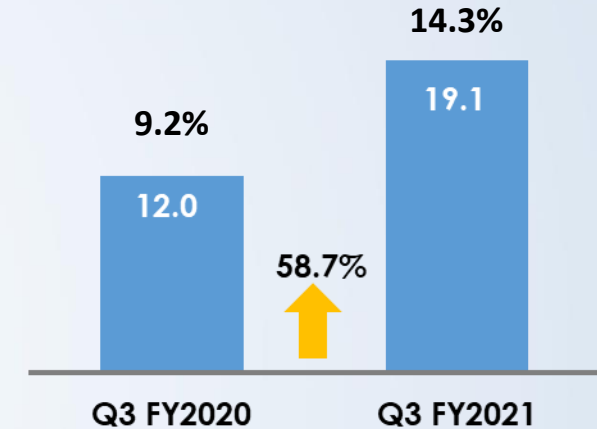
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



› **Total Revenue increased by 2.3% from Rs. 130.6 Cr in Q3 FY20 to Rs. 133.6 Cr in Q3 FY21**

- Sales to OE customer grew by 7%
- Sales to Aftermarket customers grew 3%.

› **EBITDA increased by 36.8% from Rs. 18.2 Cr in Q3 FY20 to Rs. 24.9 Cr in Q3 FY21**

- Lower employee costs and savings in Fixed cost resulted in margin improvement
- There was also a provision reversal on account of better collection in Q3 FY21 whereas there was an one off provision for bad debts during Q3 FY20.

› **PBT for Q3 FY'21 is at Rs. 19.1 Cr as against Rs. 12.0 Cr in Q3 FY'20**

RBL – Financials (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	361.6	282.4
EBITDA	49.2	43.9
EBITDA Margin	13.6%	15.6%
PBT Before Exceptional Items	30.3	25.8
Exceptional Income / (Expenses)	-	-
PBT	30.3	25.8
PBT Margin	8.4%	9.1%
PAT	25.0	17.5
PAT Margin	6.9%	6.2%
Total Comprehensive Income	24.4	17.8

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

Rane TRW Steering Systems Pvt. Ltd.

(RTSS)

Market Environment

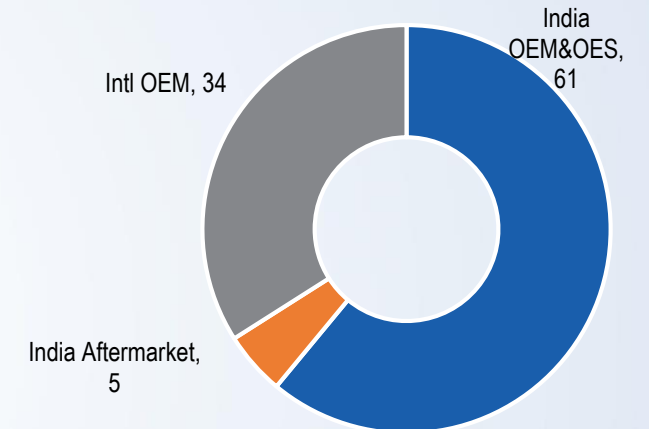
- › Steering business: Increase in share of business helped to post faster growth
- › Occupant Safety business: Better schedules from export customers helped mitigate lower growth in served market in India
- › 100% application of PAB being mandated from 1st April 2021 for new models and 1st June 2021 for existing models

Operational Highlights

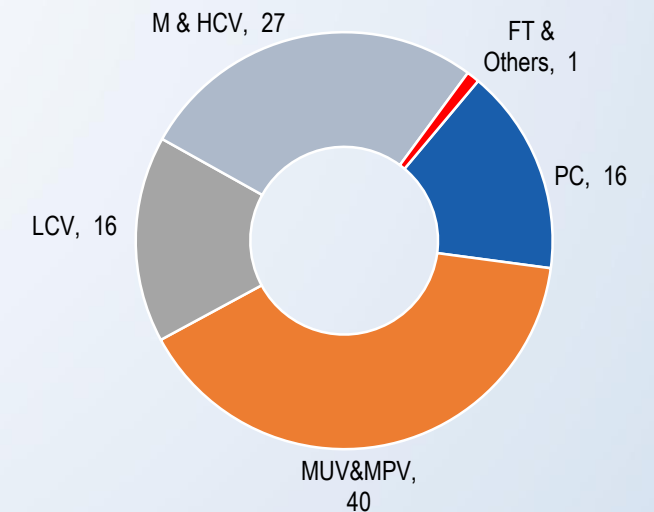
- › OSD - Additional production lines at Trichy plant were installed for both Seat belt and Air bag Products

Business Split (Q3 FY21)

By Market (%)

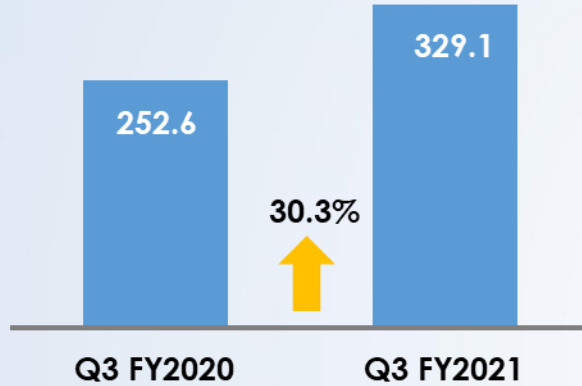


By Vehicle Segment (%)

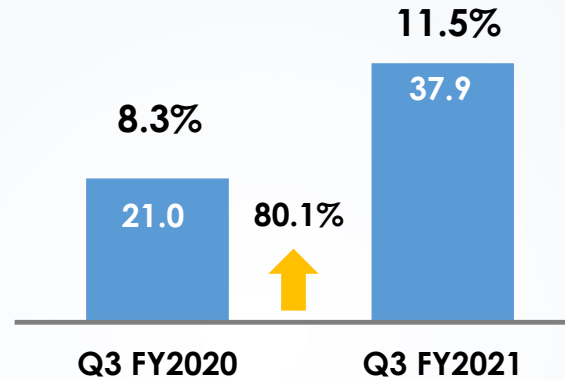


RTSS – Financial Performance Review

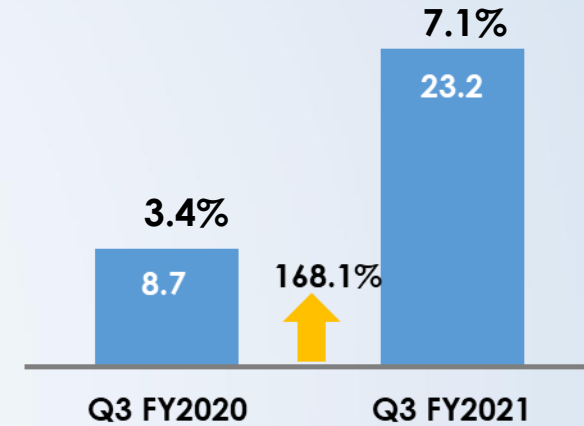
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT (Rs cr.)



- › **Total Revenue increased by 30.3% from Rs. 252.6 Cr in Q3 FY20 to Rs. 329.1 Cr in Q3 FY21**
 - Revenue from steering gear products grew due to strong growth in Indian Commercial Vehicle segment
 - Revenue from occupant safety systems increased on account of better schedules from international customers
- › **EBITDA increased by 80.1% from Rs. 21.0 Cr in Q3 FY20 to Rs. 37.9 Cr in Q3 FY21**
 - Better fixed cost leverage resulted in margin improvement
- › **PBT for Q3 FY'21 is at Rs. 23.2 Cr as against Rs. 8.7 Cr in Q3 FY'20**

RTSS – Financials (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	890.6	691.6
EBITDA	71.2	48.7
EBITDA Margin	8.0%	7.0%
PBT Before Exceptional Items	32.4	10.1
Exceptional Income / (Expenses)	-	-
PBT	32.4	10.1
PBT Margin	3.6%	1.5%
PAT	25.0	7.5
PAT Margin	2.8%	1.1%
Total Comprehensive Income	22.6	7.9

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.

Rane NSK Steering Systems Pvt. Ltd.

(RNSS)

RNSS – Operational Performance Review

Market Environment

- › Strong growth in Passenger Vehicle segment
 - Growth in smaller car segment higher than utility vehicle segment

Operational Highlights

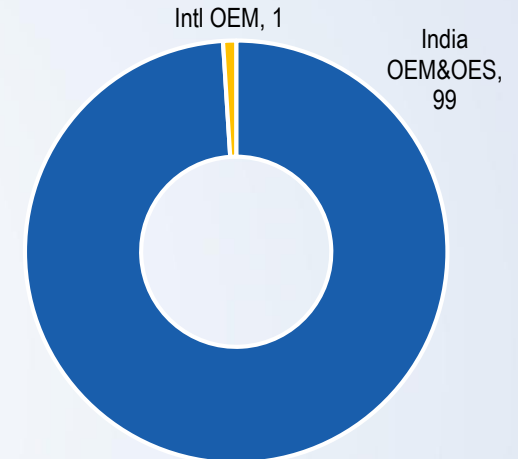
- › Secured new business of Rs. 22 Cr p.a from leading passenger car manufacturer in India.
- › Gujarat plant is certified as “Green Building Factory” by IGBC

Warranty Provision

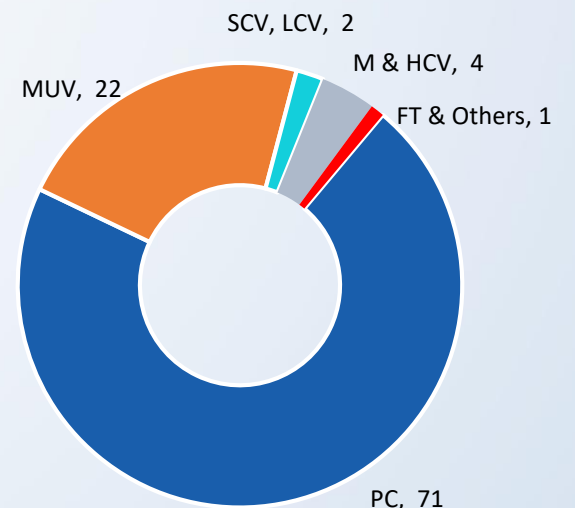
- › Based on the current warranty claim trend, an amount of Rs. 49.3 Cr considered towards incremental provision for warranty

Business Split (Q3 FY21)

By Market (%)

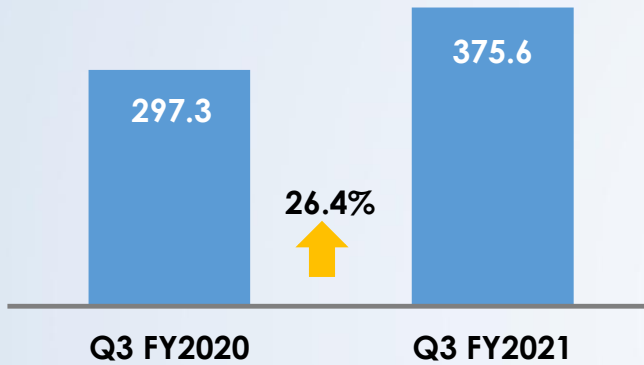


By Vehicle Segment (%)

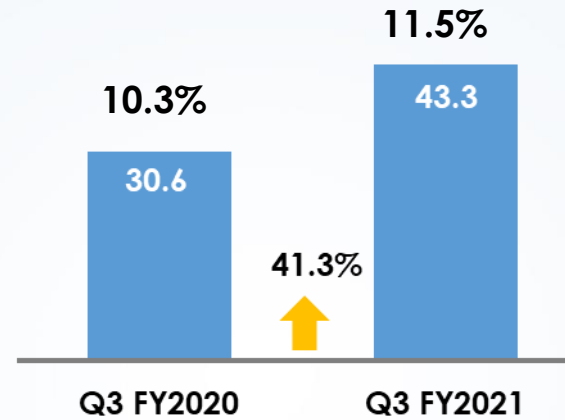


RNSS – Financial Performance Review

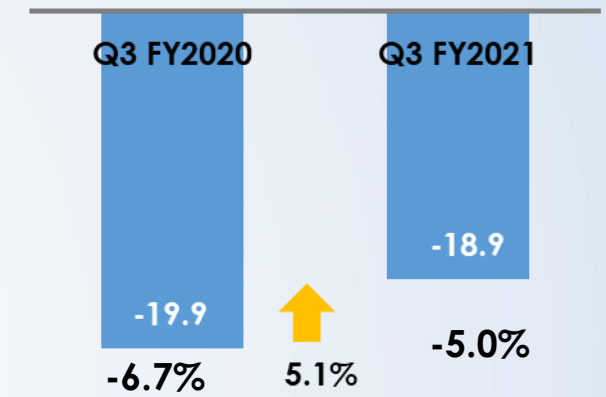
Total Revenue (Rs cr.)



EBITDA (Rs cr.)



PBT* (Rs cr.)



* PBT includes Exceptional items

- › **Total Revenue increased by 26.4% from Rs. 297.3 Cr in Q3 FY20 to Rs. 375.6 Cr in Q3 FY21**
 - Strong off take from the domestic passenger vehicle industry helped post revenue growth
- › **EBITDA increased by 41.3% from Rs. 30.6 Cr in Q3 FY20 to Rs. 43.3 Cr in Q3 FY21**
 - Better fixed cost leverage resulted in margin improvement
- › **Net Loss for Q3 FY'21 is at Rs. 18.9 Cr as against Rs. 19.9 Cr in Q3 FY'20**

RNSS – Financials (YTD)

Rs Cr	9M FY20	9M FY21#
Total Revenue	882.1	694.4
EBITDA	89.2	62.6
EBITDA Margin	10.1%	9.0%
PBT Before Exceptional Items	47.6	23.3
Exceptional Income / (Expenses) *	(88.1)	(70.1)
PBT	(40.4)	(46.8)
PBT Margin	-4.6%	-6.7%
PAT	(27.2)	(30.8)
PAT Margin	-3.1%	-4.4%
Total Comprehensive Income	(27.2)	(30.5)

* Exceptional expenses represents incremental provision made towards product warranty claim

The business operations were partly suspended during Q1 FY21 on account of the lockdown announced by the Government of India consequent to the outbreak of COVID-19 pandemic. Hence 9M FY21 results are not comparable to the corresponding period of the previous year.



Thank You



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Glossary of Abbreviations

Abbreviation	Expansion
Bps	Basis point, 100 bps equal to 1%
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
FT	Farm Tractors
FY	Financial Year
Intl	International
IGBC	Indian Green Building Council
JV	Joint Venture
LCV	Light Commercial Vehicles
MPV	Multi Purpose Vehicles
MUV	Multi Utility Vehicles
M&HCV	Medium & Heavy Commercial Vehicles
OE	Original Equipment
OEM	Original Equipment Manufacturer
OES	Original Equipment Supplier

Abbreviation	Expansion
OSD	Occupant Safety Division
PAB	Passenger Air Bag
PAT	Profit After Tax
PBT	Profit Before Tax
PC	Passenger Car
RHL	Rane Holdings Limited
REVL	Rane Engine Valve Limited
RNSS	Rane NSK Steering Systems Pvt Limited
SCV	Small Commercial Vehicles
SIAM	Society of Indian Automobile Manufacturers
STU	State Transport Undertaking
UV	Utility Vehicle
VRS	Voluntary Retirement Scheme
YoY	Year-on-Year
YTD	Year To Date
2W/3W	Two Wheeler/Three Wheeler

This presentation may contain certain forward looking statements concerning Rane's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but not limited to risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and the target countries for exports, ability to attract and retain highly skilled professionals, government policies and action with respect to investments, fiscal deficits, regulations etc., interest and other fiscal costs generally prevailing in the economy. The company does not undertake to make any announcement in case any of these forward looking statement become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.