



Expanding Horizons

RANE BRAKE LINING LIMITED

Q2FY18 Earnings Release



Chennai, India, November 24, 2017 – Rane Brake Lining Limited (NSE: RBL; BSE Code:532987), a leading manufacturer of Brake Linings, Clutch Facings and Disc Pads today announced financial performance for the second quarter (Q2FY18) and six months (H1FY18) ended September 30th, 2017

Q2 FY18 Performance

- Total Net Revenue was ₹112.3 Crore for Q2 FY18 as compared to ₹110.8 Crore in the Q2 FY17, an increase of 1.4%
- EBITDA stood at ₹19.1 Crore as compared to ₹17.3 Crore during Q2 FY17, an increase of 10.2%
- EBITDA Margin at 17.0% for Q2 FY18 as against 15.6% in Q2 FY17
- Net profit (PAT) stood at ₹9.3 Crore for Q2 FY18 as compared to ₹10.1 Crore in Q2 FY17, a decrease of 7.6%

H1 FY18 Performance

- Total Net Revenue was ₹213.3 Crore for H1 FY18 as compared to ₹227.8 Crore in the H1 FY17, a decrease of 6.4%
- EBITDA stood at ₹35.0 Crore as compared to ₹35.7 Crore during H1 FY17, a decrease of 1.9%
- EBITDA Margin at 16.4% for H1 FY18 as against 15.7% in H1 FY17
- Net profit (PAT) stood at ₹16.7 Crore for H1 FY18 as compared to ₹20.7 Crore in H1 FY17, a decrease of 19.3%

Operating Highlights for Q2 FY18

- Sales to Indian OE customers was muted. Favorable growth in 2-Wheeler segment
- Experienced gradual revival in demand in the Aftermarket business
- Favorable commodity prices, foreign exchange movement and higher cost savings realization helped to sustain lower material cost
- Realized cost savings through strategic initiatives undertaken in Q4FY17
 - Lower power cost through commissioning of 2 MW solar plant
 - Employee cost reduction through VRS implementation and improved productivity

MANAGEMENT COMMENT

“After challenging Q1FY18, we saw demand revival in the Aftermarket segment. Favorable material cost and strategic cost savings supported to deliver strong operating margin. We remain cautiously optimistic for H2 FY18 as we envisage headwinds on Aftermarket demand environment and increasing material costs” - L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

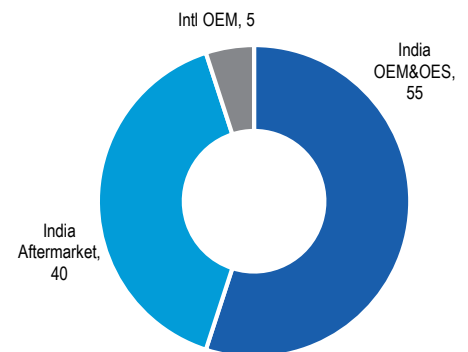
Particulars	Q2 FY 18	Q2 FY 17	YOY%
Total Net Revenue*	112.3	110.8	1.4%
EBITDA	19.1	17.3	10.2%
Margin (%)	17.0%	15.6%	135bps
PAT	9.3	10.1	-7.6%

Particulars	H1 FY 18	H1 FY 17	YOY%
Total Net Revenue*	213.3	227.8	-6.4%
EBITDA	35.0	35.7	-1.9%
Margin (%)	16.4%	15.7%	75bps
PAT	16.7	20.7	-19.3%

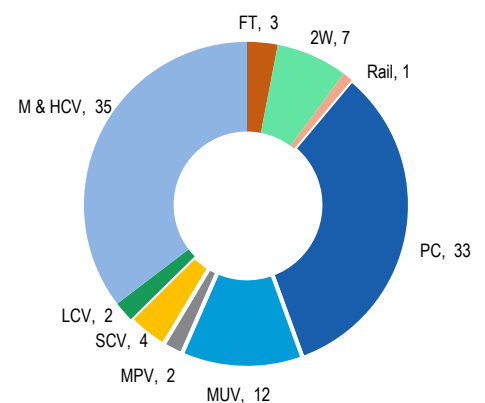
*Revenue excludes excise duty wherever applicable
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY18)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

	Q2FY18	Q1FY18	QoQ%	Q2FY17	YoY%	H1FY18	H1FY17	YoY%
Income from Operations	112.0	113.7	-2%	123.7	-9%	225.7	256.4	-12%
Other Operating Income	0.1	0.1	-50%	0.4	-81%	0.2	0.5	-59%
Other Income	0.3	0.5	-47%	1.8	-86%	0.7	2.3	-69%
Total Revenue	112.3	114.3	-2%	125.9	-11%	226.7	259.3	-13%
Expenses								
-Cost of Material Consumed	53.6	54.5	-2%	53.6	0%	108.0	111.9	-3%
-Purchase of stock-in-trade	-	-	-	-	-	-	-	-
-Changes in inventories	3.5	-6.2	156%	-2.3	252%	-2.7	-3.3	19%
-Excise Duty	-	13.4	-100%	15.1	-100%	13.4	31.5	-57%
-Employee Benefit Expense	15.6	15.6	0%	16.6	-6%	31.2	32.2	-3%
-Finance Cost	0.1	0.1	-36%	0.3	-73%	0.2	0.6	-72%
-Depreciation & Amortization	5.3	5.3	0%	4.8	10%	10.6	9.7	9%
-Other Expenditure	20.6	21.1	-3%	25.6	-20%	41.7	51.3	-19%
Total Expenses	98.6	103.8	-5%	113.6	-13%	202.4	233.9	-13%
PBT before Exceptional Items	13.7	10.6	30%	12.3	12%	24.3	25.4	-4%
Exceptional Item	-	-	-	-	-	-	-	-
PBT	13.7	10.6	30%	12.3	12%	24.3	25.4	-4%
Tax Expense	4.4	3.3	35%	2.2	103%	7.6	4.7	62%
PAT	9.3	7.3	28%	10.1	-8%	16.7	20.7	-19%

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

KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2017
Non-current assets	133.1
-Property, Plant and Equipment	112.9
-Financial Assets	12.0
Current assets	148.1
- Inventories	41.1
-Trade receivables	97.1
-Cash and cash equivalents	2.3
Total Assets	281.2
Shareholders Fund	174.7
Non-current liabilities	6.7
-Long-term borrowings	-
Current liabilities	99.9
-Short-term borrowings	5.0
-Trade payables	83.3
Total Liabilities	106.5
Total Equity and Liabilities	281.2

(In ₹ Crore)

ABOUT RANE BRAKE LINING LIMITED

Established in 1964, Rane Brake Lining Limited (RBL) is part of the Rane Group of Companies, a leading auto component group based out of Chennai. RBL manufactures friction material products such as Brake linings, Disc pads, Clutch facings, Clutch buttons, Brake Shoes and Railway brake blocks. RBL is market leader in India and global player in friction material. It has technical collaboration with Nisshinbo Brakes Inc., Japan for know-how in brake linings, disc pads & clutch facings. RBL products have application in every segment of automobile industry such as PV, CV and 2W/3W.

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, 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,

PLEASE FEEL FREE TO CONTACT: INVESTORSERVICES@RANEGROUP.COM OR DPINGLE@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.