



Expanding Horizons

RANE BRAKE LINING LIMITED

Q2 FY19 Earnings Release



Chennai, India, October 23, 2018 – Rane Brake Lining Limited (NSE: RBL; BSE Code:532987), a leading manufacturer of Brake Linings, Disc Pads and Clutch Facings today announced financial performance for the second quarter (Q2FY19) and six months (H1FY19) ended September 30th, 2018

Q2 FY19 Performance

- Total Net Revenue was ₹121.3 Crore for Q2 FY19 as compared to ₹112.3 Crore in the Q2 FY18, an increase of 8.0%
- EBITDA stood at ₹13.1 Crore as compared to ₹19.1 Crore during Q2 FY18, a decrease of 31.4%
- EBITDA Margin at 10.8% for Q2 FY19 as against 17.0% in Q2 FY18
- Net profit (PAT) stood at ₹5.3 Crore for Q2 FY19 as compared to ₹9.3 Crore in Q2 FY18, a decrease of 43.2%

H1 FY19 Performance

- Total Net Revenue was ₹244.4 Crore for H1 FY19 as compared to ₹213.3 Crore in the H1 FY18, an increase of 14.6%
- EBITDA stood at ₹28.6 Crore as compared to ₹35.0 Crore during H1 FY18, a decrease of 18.3%
- EBITDA Margin at 11.7% for H1 FY19 as against 16.4% in H1 FY18
- Net profit (PAT) stood at ₹11.9 Crore for H1 FY19 as compared to ₹16.7 Crore in H1 FY18, a decrease of 28.6%

Operating Highlights for Q2 FY19

- Strong demand from Indian OE customers particularly Utility Vehicles, M&HCV and Two Wheeler segment
- Sales to Aftermarket registered a drop on the back of high base in Q2FY18 post GST implementation
- EBITDA margin declined by 620 bps
 - Adverse forex movement, unfavourable product mix, increase in raw material / employee cost mainly contributed for the drop in the EBITDA margin
 - There was also an one off reversal of provision for excise duty and bad debts during Q2 FY18

MANAGEMENT COMMENT

“RBL had challenging quarter with drop in sales to Aftermarket customers. The inflationary pressure on raw material and employee cost pulled down the margin. We expect moderate growth in aftermarket sales and demand from OE customers to sustain in the upcoming quarter. Management is focusing on initiatives to mitigate the margin pressure.”

– **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

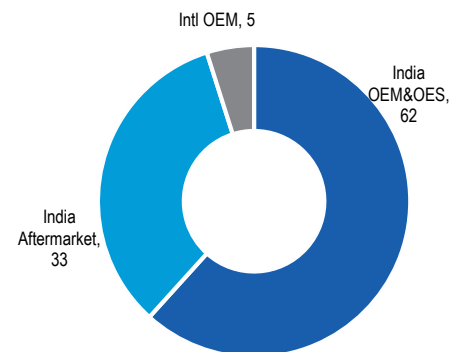
Financial Performance

Particulars	Q2 FY 19	Q2 FY 18	YOY%
Total Net Revenue*	121.3	112.3	8.0%
EBITDA	13.1	19.1	-31.4%
Margin (%)	10.8%	17.0%	-620 bps
PAT	5.3	9.3	-43.2%

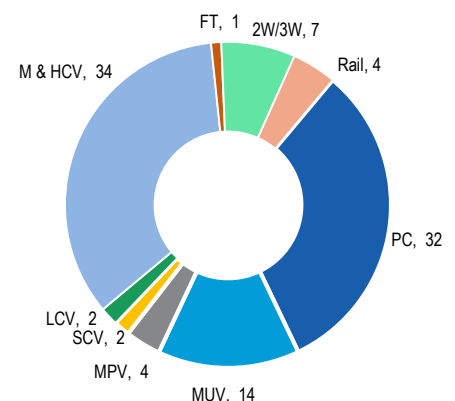
Particulars	H1 FY 19	H1 FY 18	YOY%
Total Net Revenue*	244.4	213.3	14.6%
EBITDA	28.6	35.0	-18.3%
Margin (%)	11.7%	16.4%	-472 bps
PAT	11.9	16.7	-28.6%

*Revenue excludes excise duty wherever applicable

BUSINESS SPLIT (Q2 FY19)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Q2FY19	Q1FY19	QoQ%	Q2FY18	YoY%	H1FY19	H1FY18	YoY%
Income from Operations	119.7	122.1	-2%	112.0	7%	241.9	225.7	7%
Other Operating Income	0.2	0.2	40%	0.1	220%	0.4	0.2	83%
Other Income	1.3	0.9	48%	0.3	418%	2.2	0.7	202%
Total Revenue	121.3	123.2	-2%	112.3	8%	244.4	226.7	8%
Expenses								
-Cost of Material Consumed	60.2	65.6	-8%	53.6	12%	125.8	108.0	17%
-Purchase of stock-in-trade	-	-	-	-	-	-	-	-
-Changes in inventories	1.1	-4.7	124%	3.5	-68%	-3.6	-2.7	-32%
-Excise Duty	-	-	-	-	-	-	13.4	-
-Employee Benefit Expense	18.4	18.3	0%	15.6	18%	36.7	31.2	18%
-Finance Cost	0.1	0.1	2%	0.1	-25%	0.1	0.2	-42%
-Depreciation & Amortization	5.7	5.5	2%	5.3	7%	11.2	10.6	6%
-Other Expenditure	28.4	28.4	0%	20.6	38%	56.8	41.7	36%
Total Expenses	113.9	113.2	1%	98.6	16%	227.1	202.4	12%
PBT before Exceptional Items	7.4	9.9	-26%	13.7	-46%	17.3	24.3	-29%
Exceptional Item	-	-	-	-	-	-	-	-
PBT	7.4	9.9	-26%	13.7	-46%	17.3	24.3	-29%
Tax Expense	2.1	3.4	-39%	4.4	-53%	5.4	7.6	-29%
PAT	5.3	6.6	-19%	9.3	-43%	11.9	16.7	-29%

(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 30.09.2018
Non-current assets	130.0
-Property, Plant and Equipment	109.5
-Financial Assets	12.0
Current assets	185.3
- Inventories	45.8
-Trade receivables	97.3
-Cash and cash equivalents	29.1
Total Assets	315.3
Shareholders Fund	191.9
Non-current liabilities	2.6
-Long-term borrowings	-
Current liabilities	120.8
-Short-term borrowings	-
-Trade payables	104.5
Total Liabilities	123.4
Total Equity and Liabilities	315.3

(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 provides Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility 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.