



Expanding Horizons

RANE BRAKE LINING LIMITED

Q3FY18 Earnings Release



Chennai, India, January 29, 2018 – 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 third quarter (Q3 FY18) and nine months (9M FY18) ended December 31st, 2017

Q3 FY18 Performance

- Total Net Revenue was ₹128.5 Crore for Q3 FY18 as compared to ₹114.5 Crore in the Q3 FY17, an increase of 12.3%
- EBITDA stood at ₹25.2 Crore as compared to ₹17.5 Crore during Q3 FY17, an increase of 43.9%
- EBITDA Margin at 19.6% for Q3 FY18 as against 15.3% in Q3 FY17
- Net profit (PAT) stood at ₹13.2 Crore for Q3 FY18 as compared to ₹9.9 Crore in Q3 FY17, an increase of 33.3%

9M FY18 Performance

- Total Net Revenue was ₹341.8 Crore for 9M FY18 as compared to ₹342.3 Crore in the 9M FY17, a decrease of 0.1%
- EBITDA stood at ₹60.3 Crore as compared to ₹53.3 Crore during 9M FY17, an increase of 13.2%
- EBITDA Margin at 17.6% for 9M FY18 as against 15.6% in 9M FY17
- Net profit (PAT) stood at ₹29.8 Crore for 9M FY18 as compared to ₹30.5 Crore in 9M FY17, a decrease of 2.3%

Corporate Action

- An interim dividend of ₹6.50/- per equity share has been declared by the Board of Directors on the paid-up capital of 79,14,980 of ₹10/- each. The record date for payment of interim dividend is February 8, 2018

Operating Highlights for Q3 FY18

- Strong demand from Indian OE customers particularly passenger vehicle and two wheeler customers
- Recovery of demand from the Indian Aftermarket business post GST drove sales growth of 28% YoY
- Favorable commodity prices, foreign exchange movement and higher cost savings realization helped to sustain lower material cost
- Continued to realize savings on employee costs and power cost through strategic initiatives undertaken in Q4FY17

MANAGEMENT COMMENT

“RBL had strong performance in the quarter supported by favourable market demand. Favourable material cost and strategic cost savings supported to deliver strong operating margin. We expect demand environment to remain positive in the upcoming quarters.” - L. Ganesh, Chairman, Rane Group

BUSINESS HIGHLIGHTS

Financial Performance

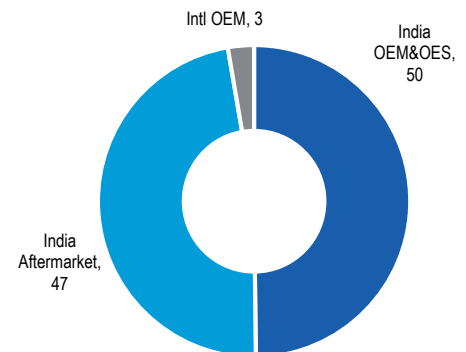
Particulars	Q3 FY 18	Q3 FY 17	YOY%
Total Net Revenue*	128.5	114.5	12.3%
EBITDA	25.2	17.5	43.9%
Margin (%)	19.6%	15.3%	432 bps
PAT	13.2	9.9	33.3%

Particulars	9M FY 18	9M FY 17	YOY%
Total Net Revenue*	341.8	342.3	-0.1%
EBITDA	60.3	53.3	13.2%
Margin (%)	17.6%	15.6%	208 bps
PAT	29.8	30.5	-2.3%

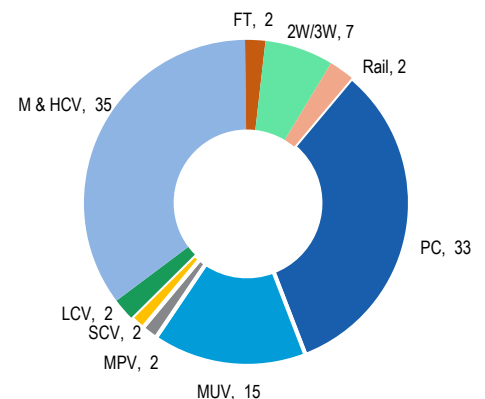
*Revenue excludes excise duty wherever applicable
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q3 FY18)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Q3 FY18	Q2 FY18	QoQ%	Q3 FY17	YoY%	9M FY18	9M FY17	YoY%
Income from Operations	128.1	112.0	14%	130.6	-2%	353.9	387.0	-9%
Other Operating Income	0.1	0.1	85%	0.1	167%	0.3	0.6	-39%
Other Income	0.3	0.3	8%	0.2	13%	1.0	2.6	-61%
Total Revenue	128.5	112.3	14%	130.9	-2%	355.2	390.1	-9%
Expenses								
-Cost of Material Consumed	61.9	53.6	16%	56.8	9%	169.9	168.7	1%
-Changes in inventories	-2.3	3.5	-164%	-0.1	-1479%	-5.0	-3.5	-42%
-Excise Duty	-	-		16.4	-100%	13.4	47.8	-72%
-Employee Benefit Expense	16.0	15.6	2%	16.7	-4%	47.2	48.9	-3%
-Finance Cost	0.1	0.1	59%	0.1	6%	0.3	0.7	-61%
-Depreciation & Amortization	5.5	5.3	3%	4.8	14%	16.0	14.5	10%
-Other Expenditure	27.7	20.6	35%	23.7	17%	69.4	75.0	-7%
Total Expenses	108.9	98.6	10%	118.3	-8%	311.2	352.2	-12%
PBT before Exceptional Items	19.7	13.7	43%	12.6	56%	44.0	38.0	16%
Exceptional Item	-	-		-		-	-	
PBT	19.7	13.7	43%	12.6	56%	44.0	38.0	16%
Tax Expense	6.5	4.4	48%	2.7	136%	14.1	7.5	90%
PAT	13.2	9.3	41%	9.9	33%	29.8	30.5	-2%

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

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 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.