



Expanding Horizons

RANE BRAKE LINING LIMITED

Q2 FY22 Earnings Release



Chennai, India, October 19, 2021 – 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 (Q2FY22) and six months (H1FY22) ended September 30th, 2021.

Q2 FY22 Performance

- Total Revenue was ₹126.2 Crore for Q2 FY22 compared to ₹107.7 Crore in the Q2 FY21, an increase of 17.2%
- EBITDA stood at ₹14.1 Crore compared to ₹22.6 Crore during Q2 FY21, a decrease of 37.8%
- EBITDA Margin at 11.2% for Q2 FY22 against 21.0% in Q2 FY21
- Net profit (PAT) stood at ₹5.4 Crore for Q2 FY22 compared to ₹11.5 Crore in Q2 FY21, a decrease of 53.1%

H1 FY22 Performance

- Total Revenue was ₹224.1 Crore for H1 FY22 compared to ₹148.9 Crore in the H1 FY21, an increase of 50.5%
- EBITDA stood at ₹21.3 Crore compared to ₹19.0 Crore during H1 FY21, an increase of 12.0%
- EBITDA Margin at 9.5% for H1 FY22 against 12.8% in H1 FY21
- Net profit (PAT) stood at ₹7.1 Crore for H1 FY22 compared to ₹4.6 Crore in H1 FY21, an increase of 53.8%

Operating Performance for Q2 FY22

- Sales to OE customers grew by 12%.
- Sales to Aftermarket customers grew by 24%. Broad recovery across segments except STU and Bus segment which continue to underperform due to limited operations.
- EBITDA margin declined 985 bps
 - Increase in material cost and unfavourable product mix resulted in drop in margin.
 - There was also a one-off selling price increase recovery from customer during Q2 FY21.

MANAGEMENT COMMENT

“RBL experienced gradual recovery in the demand environment after the second wave of coronavirus. Inflationary pressures on material cost impacted the profitability. Demand revival continues to be strong, however the supply constraints due to semiconductor shortage remains a concern. The company is working on cost reduction initiatives to mitigate the inflationary pressures.”

– **L. Ganesh, Chairman, Rane Group**

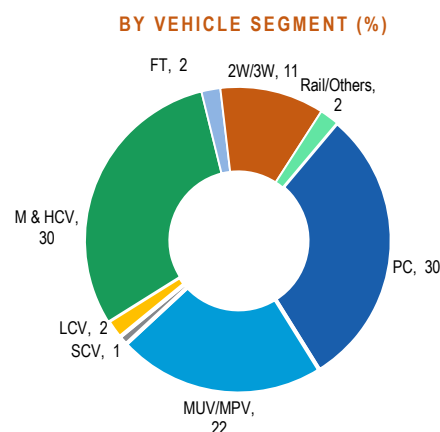
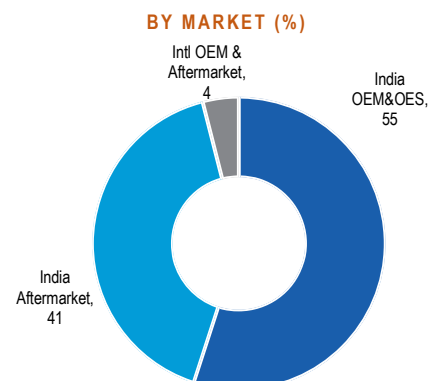
BUSINESS HIGHLIGHTS

Particulars	Q2 FY 22	Q2 FY 21	YOY%
Total Revenue	126.2	107.7	17.2%
EBITDA	14.1	22.6	-37.8%
Margin (%)	11.2%	21.0%	-985 bps
PAT	5.4	11.5	-53.1%

Particulars	H1 FY22	H1 FY21	YOY%
Total Revenue	224.1	148.9	50.5%
EBITDA	21.3	19.0	12.0%
Margin (%)	9.5%	12.8%	-327 bps
PAT	7.1	4.6	53.8%

(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY22)



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PROFIT AND LOSS ACCOUNT

Particulars	Q2FY22	Q1FY22	QoQ%	Q2FY21	YoY%	H1FY22	H1FY21	YoY%
Income from Operations	122.3	94.0	30%	105.3	16%	216.3	142.1	52%
Other Operating Income	0.2	0.2	2%	0.4	-43%	0.5	0.5	1%
Other Income	3.7	3.7	0%	1.9	91%	7.3	6.2	17%
Total Revenue	126.2	97.9	29%	107.7	17%	224.1	148.9	51%
Expenses								
-Cost of Material Consumed	63.6	55.5	15%	48.3	32%	119.1	57.5	107%
-Purchase of stock-in-trade	-	-	-	-	-	-	-	-
-Changes in inventories	-0.0	-7.8	100%	-1.8	98%	-7.9	8.6	-192%
-Employee Benefit Expense	19.8	19.7	1%	15.8	25%	39.4	30.0	31%
-Finance Cost	0.0	-	-	0.0	-17%	0.0	0.0	-58%
-Depreciation & Amortization	5.3	5.3	1%	6.0	-11%	10.6	12.3	-14%
-Other Expenditure	28.7	23.4	23%	22.8	26%	52.1	33.8	54%
Total Expenses	117.4	96.0	22%	91.0	29%	213.4	142.1	50%
PBT before Exceptional Items	8.8	2.0	351%	16.7	-47%	10.7	6.7	60%
Exceptional Item	-	-	-	-	-	-	-	-
PBT	8.8	2.0	351%	16.7	-47%	10.7	6.7	60%
Tax Expense	3.4	0.2	1451%	5.1	-34%	3.6	2.1	74%
PAT	5.4	1.7	212%	11.5	-53%	7.1	4.6	54%

KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2021	As at 31.03.2021
Non-current assets	141.0	136.4
-Property, Plant and Equipment	113.6	117.2
-Financial Assets	11.9	11.5
Current assets	207.7	247.6
- Inventories	77.5	65.3
-Trade receivables	108.8	129.8
-Cash and cash equivalents	17.3	48.4
Total Assets	348.7	384.0
Shareholders Fund	222.1	237.7
Non-current liabilities	7.4	6.9
-Long-term borrowings	-	-
Current liabilities	119.2	139.4
-Short-term borrowings	-	-
-Trade payables	92.9	113.7
Total Liabilities	126.6	146.4
Total Equity and Liabilities	348.7	384.0

(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, Light Metal casting components 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.

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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.