



Expanding Horizons

RANE BRAKE LINING LIMITED

Q2 FY21 Earnings Release



Chennai, India, October 15, 2020 – 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 (Q2FY21) and six months (H1FY21) ended September 30th, 2020.

Q2 FY21 Performance

- Total Revenue was ₹107.7 Crore for Q2 FY21 as compared to ₹112.1 Crore in the Q2 FY20, a decrease of 3.9%
- EBITDA stood at ₹22.6 Crore as compared to ₹15.2 Crore during Q2 FY20, an increase of 48.7%
- EBITDA Margin at 21.0% for Q2 FY21 as against 13.6% in Q2 FY20, an increase of 743 basis points (bps)
- Net profit (PAT) stood at ₹11.5 Crore for Q2 FY21 as compared to ₹7.5 Crore in Q2 FY20, an increase of 54.7%

H1 FY21 Performance

- Total Revenue was ₹148.9 Crore for H1 FY21 as compared to ₹231.0 Crore in the H1 FY20, a decrease of 35.5%
- EBITDA stood at ₹19.0 Crore as compared to ₹30.9 Crore during H1 FY20, a decrease of 38.6%
- EBITDA Margin at 12.8% for H1 FY21 as against 13.4% in H1 FY20
- Net profit (PAT) stood at ₹4.6 Crore for H1 FY21 as compared to ₹14.8 Crore in H1 FY20, a decrease of 68.6%

* The H1 FY21 results are not comparable to the corresponding period of the previous year due to the truncated period of operations due to lockdown in the Q1 FY21 impacting overall H1 FY21.

Operating Highlights – Q2 FY21

- Sales to OE customer declined 8%.
- Sales to Aftermarket customers grew 1%. Managed flat growth despite lower demand from STUs / Bus operators.
- EBITDA margin improved 743 bps
 - Favourable material price movement and product mix helped margin improvement
 - There was also an one off selling price increase recovery from customer during the quarter

Corporate Action

- The Board has approved buyback of the company's fully paid-up equity shares of Rs.10/- each, from the open market through stock exchange mechanism, for a maximum price of Rs. 825/- per equity share upto an aggregate amount not exceeding Rs. 22 Crores excluding transaction costs and applicable taxes.

MANAGEMENT COMMENT

"With the gradual opening of the economy, we saw pickup in the demand and OEMs production levels gained momentum anticipating festive sales. The plant operations team effectively handled the production ramp up despite the supply chain and labour availability challenges. The cost reduction measures and lower material prices helped in margin improvement. We remain cautiously optimistic about sustenance of the demand post festive season." – **L. Ganesh, Chairman, Rane Group**

BUSINESS HIGHLIGHTS

Financial Performance

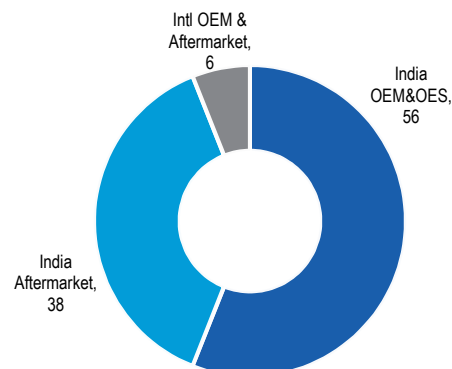
Particulars	Q2 FY 21	Q2 FY 20	YOY%
Total Revenue	107.7	112.1	-3.9%
EBITDA	22.6	15.2	48.7%
Margin (%)	21.0%	13.6%	743 bps
PAT	11.5	7.5	54.7%

Particulars	H1 FY 21	H1 FY 20	YOY%
Total Revenue	148.9	231.0	-35.5%
EBITDA	19.0	30.9	-38.6%
Margin (%)	12.8%	13.4%	-63 bps
PAT	4.6	14.8	-68.6%

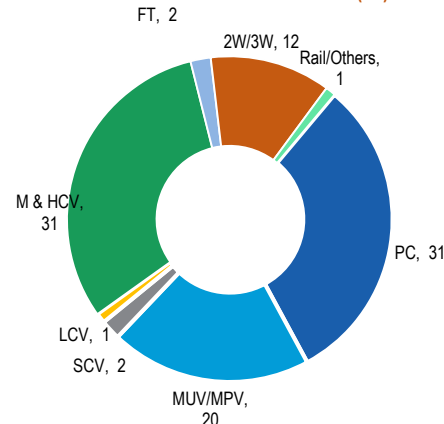
(In ₹ Crore, unless otherwise mentioned)

BUSINESS SPLIT (Q2 FY21)

BY MARKET (%)



BY VEHICLE SEGMENT (%)



PROFIT AND LOSS ACCOUNT

Particulars	Q2FY21	Q1FY21	QoQ%	Q2FY20	YoY%	H1FY21	H1FY20	YoY%
Income from Operations	105.3	36.8	186%	109.1	-3%	142.1	225.2	-37%
Other Operating Income	0.1	0.0		0.3	-58%	0.2	0.5	-68%
Other Income	2.2	4.4	-49%	2.6	-16%	6.6	5.3	24%
Total Revenue	107.7	41.2	162%	112.1	-4%	148.9	231.0	-36%
Expenses								
-Cost of Material Consumed	48.3	9.3		52.8	-9%	57.5	110.4	-48%
-Purchase of stock-in-trade	-	-		-		-	-	
-Changes in inventories	-1.8	10.4		1.2		8.6	-0.2	
-Employee Benefit Expense	15.8	14.2	11%	19.4	-19%	30.0	39.7	-24%
-Finance Cost	0.0	0.0	-1%	0.0	-58%	0.0	0.0	-86%
-Depreciation & Amortization	6.0	6.3	-6%	6.3	-5%	12.3	12.6	-3%
-Other Expenditure	22.8	10.9	108%	23.4	-2%	33.8	50.2	-33%
Total Expenses	91.0	51.1	78%	103.1	-12%	142.1	212.7	-33%
PBT before Exceptional Items	16.7	-10.0	267%	8.9	86%	6.7	18.3	-63%
Exceptional Item								
PBT	16.7	-10.0	267%	8.9	86%	6.7	18.3	-63%
Tax Expense	5.1	-3.1	268%	1.5	247%	2.1	3.5	-41%
PAT	11.5	-6.9	267%	7.5	55%	4.6	14.8	-69%

KEY BALANCE SHEET ITEMS

Particulars	As at 30.09.2020
Non-current assets	141.8
-Property, Plant and Equipment	122.2
-Financial Assets	13.3
Current assets	194.8
- Inventories	50.5
-Trade receivables	84.1
-Cash and cash equivalents	53.2
Total Assets	336.6
Shareholders Fund	225.0
Non-current liabilities	3.6
-Long-term borrowings	-
Current liabilities	108.0
-Short-term borrowings	-
-Trade payables	81.2
Total Liabilities	111.6
Total Equity and Liabilities	336.6

(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 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.