



Expanding Horizons

# RANE BRAKE LINING LIMITED

## Q1FY18 Earnings Release



**Chennai, India, August 23, 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 first quarter (Q1 FY18) ended June 30<sup>th</sup>, 2017

The company has adopted Indian Accounting Standards (Ind AS) from April 1, 2017 and this financial results have been prepared in accordance with the recognition and measurement principles laid down in the said standards. The date of transition to Ind AS is April 1, 2016. The figures for the quarter ended June 30, 2016 under IND-AS have not been subjected to limited review by the statutory auditors.

### Q1 FY18 Performance

- Total Net Revenue was ₹100.93 Crore for Q1 FY18 as compared to ₹117.01 Crore in the Q1 FY17, decrease of around 14%
- EBITDA stood at ₹15.97 Crore as compared to ₹18.41 Crore during Q1 FY17, a decrease of 13%
- EBITDA Margin at 15.8% for Q1 FY18 as against 15.7% in Q1 FY17
- Net profit (PAT) stood at ₹7.32 Crore for Q1 FY18 as compared to ₹10.55 Crore in Q1 FY17

### Operating Highlights

- Experienced strong growth in sales to Indian OE customers particularly passenger vehicles
- Sales to Aftermarket segment was significantly affected as dealers lowered stocking owing to GST implementation. This outweighed the growth in other segments resulting in 14% decline in total sales
- Favourable commodity, foreign exchange movement and higher cost savings realization resulted in lower material cost
- Stringent cost control initiatives helped to lower operational costs
- Capitalisation of assets has resulted in higher depreciation and lower PBT

### MANAGEMENT COMMENT

“RBL had challenging quarter with lower offtake in Aftermarket segment affecting the sales for Q1FY18. Favourable material cost and stringent cost control helped the company mitigate lower volume and maintain operational profitability. We expect demand revival in the upcoming quarters and support us to deliver better operational performance.”

**L. Ganesh, Chairman, Rane Group**

### BUSINESS HIGHLIGHTS

#### FINANCIAL PERFORMANCE

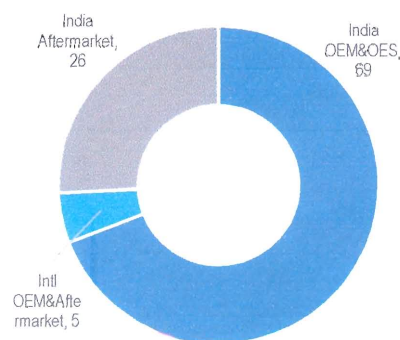
Particulars	Q1 FY 18	Q1 FY 17	YOY%
Revenue*	100.93	117.01	-13.7%
EBITDA	15.97	18.41	-13.2%
Margin (%)	15.8%	15.7%	0.6%
PBT	10.57	13.09	-19.2%
Margin (%)	10.5%	11.2%	-6.4%
PAT	7.32	10.55	-30.6%
Margin (%)	7.3%	9.0%	-19.5%

(In ₹ Crore, unless otherwise mentioned)

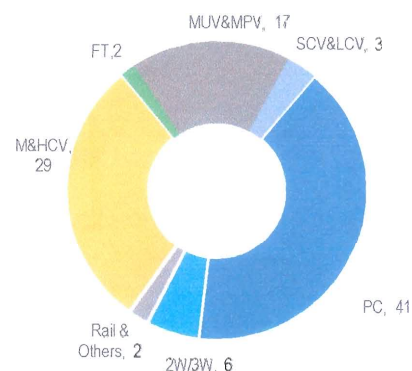
Note: \* Revenue excluding excise duty)

### BUSINESS SPLIT (Q1 FY18)

#### BY MARKET (%)



#### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

	Q1FY18	Q1FY17	YoY%
Revenue from Operations (Gross)**	113.87	132.83	-14.3%
Other Income	0.47	0.52	-9.6%
<b>Total Revenue</b>	<b>114.34</b>	<b>133.35</b>	<b>-14.3%</b>
<b>Expenses</b>			
-Cost of Material Consumed	54.45	58.35	-6.7%
-Changes in inventories of finished goods, work-in-progress and stock-in-trade	-6.21	-1.04	-498.2%
-Excise Duty	13.41	16.33	-17.9%
-Employee Benefit Expense	15.61	15.60	0.0%
-Finance Cost	0.11	0.39	-71.7%
-Depreciation & Amortization	5.29	4.93	7.3%
-Other Expenditure	21.11	25.70	-17.8%
<b>Total Expenses</b>	<b>103.77</b>	<b>120.25</b>	<b>-13.7%</b>
<b>PBT before Exceptional Items</b>	<b>10.57</b>	<b>13.09</b>	<b>-19.2%</b>
Exceptional Item	-	-	
<b>PBT</b>	<b>10.57</b>	<b>13.09</b>	<b>-19.2%</b>
Tax Expense	3.25	2.55	27.7%
<b>PAT</b>	<b>7.32</b>	<b>10.55</b>	<b>-30.6%</b>
<b>Other Comprehensive Income (Net of Tax)</b>			
-Items that will not be reclassified to profit or loss	0.01	-0.07	114.0%
-Income tax relating to items that will not be reclassified to profit or loss	-0.00	0.02	-114.0%
<b>Total Other Comprehensive Income (Net of Tax)</b>	<b>0.01</b>	<b>-0.05</b>	<b>114.0%</b>
<b>Total Comprehensive Income</b>	<b>7.33</b>	<b>10.50</b>	<b>-30.2%</b>

(In ₹ Crore, unless otherwise mentioned, the sum of the sub-segment amounts may not equal the total amounts)

Note: \*\*Includes Other Operating Income

## 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, and 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 Nissin/Inbo 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 and Die-casting products. 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](mailto:INVESTORSERVICES@RANEGROUP.COM) OR [DPINGLE@CHRISTENSENIR.COM](mailto: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.

