



Expanding Horizons

# RANE BRAKE LINING LIMITED

## Q2FY17 Earnings Release



**Chennai, India, October 25, 2016** – 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 second quarter (Q2FY17) and six months (H1FY17) ended September 30th 2016

### Q2 FY17 Performance

- Total Operating Income was ₹113.1 Crore for Q2 FY17 as compared to ₹109.3 Crore in the Q2 FY16, an increase of 3%
- EBITDA stood at ₹16.9 Crore as compared to ₹11.2 Crore during Q2 FY16, an increase of 51%
- EBITDA Margin at 14.9% for Q2 FY17 as against 10.2% in Q2 FY16
- Net profit (PAT) stood at ₹9.8 Crore for Q2 FY17 as compared to ₹3.9 Crore in Q2 FY16, an increase of 154%

### H1 FY17 Performance

- Total Operating Income was ₹234.5 Crore for H1 FY17 as compared to ₹213.0 Crore in the H1 FY16, an increase of 10%
- EBITDA stood at ₹35.1 Crore as compared to ₹23.0 Crore during H1 FY16, an increase of 53%
- EBITDA Margin at 15.0% for H1 FY17 as against 10.8% in H1 FY16
- Net profit (PAT) stood at ₹20.3 Crore for H1 FY17 as compared to ₹8.7 Crore in H1 FY16, an increase of 133%

### Operating Highlights for Q2 FY17

- Robust demand from passenger car and two-wheeler (2W) OEMs
- Strengthened position in India Aftermarkets with new product launches.
- Continued focus on material cost reduction initiatives coupled with operational efficiencies
- Drop in order offtake in International aftermarkets along with railway segments

## MANAGEMENT COMMENT

*“RBL continued to deliver good set of numbers with significant improvement in the profitability. While strong offtake from select customers in Passenger car and 2W segment benefited our overall performance, we remain cautiously optimistic for H2 FY17 as we envisage headwinds on account of increasing material costs and other operational costs.” - L. Ganesh, Chairman, Rane Group*

## BUSINESS HIGHLIGHTS

### FINANCIAL PERFORMANCE

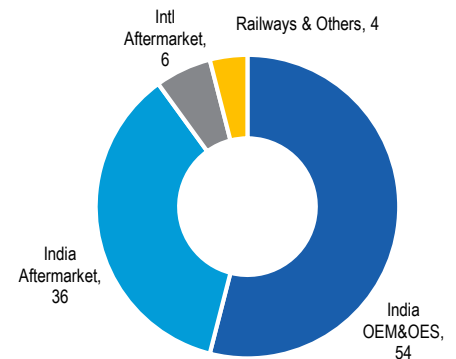
Particulars	Q2FY16	Q2FY17	YoY%
Total Operating Income	109.3	113.1	3%
EBITDA	11.2	16.9	51%
EBITDA Margins	10.2%	14.9%	470 bps
<b>PAT</b>	<b>3.9</b>	<b>9.8</b>	<b>154%</b>

Particulars	H1FY16	H1FY17	YoY%
Total Operating Income	213.0	234.5	10%
EBITDA	23.0	35.1	53%
EBITDA Margins	10.8%	15.0%	417 bps
<b>PAT</b>	<b>8.7</b>	<b>20.3</b>	<b>133%</b>

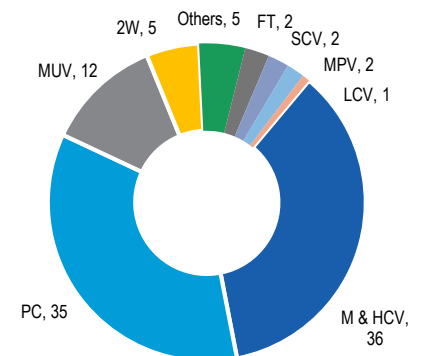
(In ₹ Crore, unless otherwise mentioned)

## BUSINESS SPLIT (Q2 FY17)

### BY MARKET (%)



### BY VEHICLE SEGMENT (%)



## PROFIT AND LOSS ACCOUNT

Particulars	Q2 FY17	Q1 FY17	QoQ%	Q2 FY16	YoY%	H1 FY17	H1 FY16	YoY %
Income from Operations	112.8	121.3	-7%	109.2	3%	234.0	212.7	10%
Other Operating Income	0.3	0.2	50%	0.1	200%	0.5	0.3	100%
<b>Total Operating Income</b>	<b>113.1</b>	<b>121.5</b>	<b>-7%</b>	<b>109.3</b>	<b>3%</b>	<b>234.5</b>	<b>213.0</b>	<b>10%</b>
<b>Expenses</b>								
-Cost of Material Consumed	53.6	58.3	-8%	51.7	4%	111.9	103.2	8%
-Changes in inventories	-2.3	-1.0	-130%	2.7	-185%	-3.3	-0.9	-267%
-Employee Benefit Expense	16.6	15.7	6%	16.5	1%	32.3	32.5	-1%
-Depreciation & Amortization	4.8	4.9	-2%	4.7	2%	9.7	9.4	3%
-Other Expenditure	30.1	30.7	-2%	27.7	9%	60.8	56.2	8%
<b>Total Expenses</b>	<b>102.8</b>	<b>108.6</b>	<b>-5%</b>	<b>103.3</b>	<b>0%</b>	<b>211.4</b>	<b>200.4</b>	<b>5%</b>
<b>EBIT Before Other Income</b>	<b>10.3</b>	<b>12.9</b>	<b>-21%</b>	<b>6.1</b>	<b>69%</b>	<b>23.1</b>	<b>12.6</b>	<b>84%</b>
Other Income	1.8	0.5	260%	0.4	350%	2.3	1.1	119%
Finance Costs	0.3	0.4	-25%	1.1	-73%	0.6	2.1	-71%
<b>PBT</b>	<b>11.8</b>	<b>13.0</b>	<b>-10%</b>	<b>5.4</b>	<b>120%</b>	<b>24.8</b>	<b>11.5</b>	<b>116%</b>
Tax Expense	2.0	2.5	-20%	1.5	33%	4.5	2.8	61%
<b>PAT</b>	<b>9.8</b>	<b>10.5</b>	<b>-7%</b>	<b>3.9</b>	<b>154%</b>	<b>20.3</b>	<b>8.7</b>	<b>133%</b>

(In ₹ Crore, unless otherwise mentioned)

## KEY BALANCE SHEET ITEMS

Particulars	H1 FY17	FY16	Change
<b>Shareholders Fund</b>	<b>158.3</b>	<b>137.9</b>	<b>20.4</b>
<b>Non-current liabilities</b>	<b>12.3</b>	<b>14.4</b>	<b>-2.1</b>
-Long-term borrowings	-	4.7	-4.7
<b>Current liabilities</b>	<b>84.6</b>	<b>103.6</b>	<b>-19.0</b>
-Short-term borrowings	0.2	16.8	-16.6
-Trade payables	71.0	70.7	0.3
<b>Total Liabilities</b>	<b>255.2</b>	<b>255.9</b>	<b>-0.6</b>
<b>Non-current assets</b>	<b>114.4</b>	<b>113.9</b>	<b>0.6</b>
-Fixed assets	97.9	104.1	-6.2
-Non-current investments	0.4	0.4	-
<b>Current assets</b>	<b>140.8</b>	<b>142.0</b>	<b>-1.3</b>
- Inventories	39.6	30.9	8.7
-Trade receivables	79.4	99.4	-20.0
-Cash and cash equivalents	13.2	1.9	11.3
<b>Total Assets</b>	<b>255.2</b>	<b>255.9</b>	<b>-0.7</b>

(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, 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 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 manufactures Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Aerospace -grade Wiring harnesses. 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,  
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