

February 18, 2022

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Code No. 530367/ NRBBEARING

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Investor Release

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 please find enclosed herewith a copy of the statement scheduled to be released to the shareholders / investors on February 18, 2022.

We request you to kindly take the above on record.

Thanking You,

Sincerely,
For NRB BEARINGS LIMITED



Shruti Joshi
Company Secretary



Investor Release:

NRB Bearings Limited 9MFY22 Financial Performance

- ✓ Revenue at **Rs. 688.58 crores**, growth of **36%** y-o-y
- ✓ EBITDA at **Rs. 103.42 crores**, growth of **81%** y-o-y
- ✓ PAT at **Rs. 58.15 crores**, growth of **185%** y-o-y

Mumbai, February 18, 2022, NRB Bearings Limited, India's premier bearing manufacturer has announced its financial results for the quarter and nine months ended 31st December 2022.

Nine Months Financial Highlights:

Particulars (Rs. Crs.)	9M FY22	9M FY21	Y-o-Y
Revenues	688.58	505.16	36%
EBITDA	103.42	57.12	81%
EBITDA Margins (%)	15.02%	11.31%	
Profit After Tax (PAT)	58.15	20.41	185%
PAT Margins (%)	8.44%	4.04%	

Quarterly Financial Highlights:

Particulars (Rs. Crs.)	Q3 FY22	Q3 FY21	Y-o-Y	Q2FY22	Q-o-Q
Revenues (Sales)	230.71	244.69	-6%	256.56	-10%
EBITDA	29.34	43.12	-32%	47.33	-38%
EBITDA Margins (%)	12.72%	17.62%		18.45%	
Profit After Tax (PAT)	16.97	23.28	-27%	24.35	-30%
PAT Margins (%)	7.36%	9.51%		9.49%	

Key Highlights:

- **Revenue:**
 - Muted demand scenario in the last quarter specifically in the two-wheeler, commercial vehicles and agricultural sector led to drop in volumes, thus ended Q3FY22 with a de-growth of 6% Y-o-Y
 - Demand scenario from January 2022 onwards have revived and we are hopeful the same will continue in the coming months

- **EBITDA & PAT:**

- Margin stood at 15.02% for 9MFY22, growth of **81%** y-o-y
- Reported a PAT of Rs. 58.15 crores for 9MFY22, growth of **185%** y-o-y
- Margins remained subdued due to pressure on key input costs and freight costs in Q3FY22

- **Export:**

- Company currently supplying to 45 countries
- Third wave of covid, supply chain issues and a significant increase in the freight cost led to weak demand in the exports in Q3FY22
- The increased input cost and logistics cost is being passed on to the international customers gradually.

- **Restructuring Manufacturing to build Operational Efficiencies**

- Long pending closure of Thane plant has finally been completed
- Chikalthana facility at Aurangabad will also be fully absorbed at our larger facilities
- Rationale for Restructuring
 - Both Thane and Chikalthana facilities were relatively smaller plants
 - Build a leaner and more flexible manufacturing structure with a focus on in-house toolroom and more insourcing for cost optimization, for low volume as well as mass market through rationalization of locations
 - The enhanced and cost competitive facilities will enable NRB group to dominate the E-Mobility sector, while retaining its position in conventional customized friction solutions at OEMs, Tier 1 and in the export market
 - To bring in more operational efficiencies and reducing internal logistics cost

- **Subsidiary Companies:**

- Company has 2 manufacturing subsidiaries viz. SNL Bearings Limited (SNL), NRB Bearings (Thailand) Limited (NRBT).
- SNL dominates the 2-wheeler and small industrial bearings segment and has reported profit after tax of Rs. 1.90 crores, for Q3FY22.

- NRBT, our 100% subsidiary in Thailand, is in an expansion mode and is leveraging
 - The FTA (Free Trade Agreement) with India
 - It's position as a supplier to China
 - Thailand's strong relationship with North America and Europe
 - Increasingly replacing Chinese products at our global customers
- NRB Holdings (a wholly owned subsidiary) has been incorporated for re-structuring of the global business and shall set up a global innovation centre for advanced technologies in Dubai's prestigious DIFC to create a leadership position in global markets with engineering capabilities focused on hybrid and E mobility applications. To have a clear focus, agility and support from the parent in India, which is determined to emerge as the most cost-efficient producer with the most high calibre, disruptive Engineering and R&D Capabilities as a group.
- **Capex Update: Investments of Rs. 200 crores for next 2- 3 years:**
 - Accelerated the expansion of R&D facilities for two of its R&D centres spanning over 36,000 sq. feet, NRBs supply chain and capex investments have already been positioned to grow market share as the shift to EVs intensifies
 - Capacity expansion in Thailand subsidiary by additional capex investment of RS. 35 crores over the next 2 Financial Years
- **Future Outlook**
 - We have gained market share in our 'chosen' segments even in the last quarter and dominate the global truck segment
 - NRB offers a very cost-effective solution for conventional / Hybrid and EV in Truck segment- and now is becoming a force in the global Farm Equipment business
 - The company is continuously investing in the futuristic products as well as on the future platforms which they are co-developing. We believe we are in the forefront of the launches of the world's most advanced vehicles.
 - We are cautiously optimistic and hope that demand revival we are seeing currently continues going forward
 - NRB is suppliers to
 - The world's foremost E-Vehicles, in Europe, America and Japan (through NRB Thailand) and Korea (through the Hyundai Group)
 - Nominated by the leading players globally in their new electric power trains
 - Present in virtually every light to heavy vehicle - for hybrid and E-Drive in Europe and America and in China

Commenting on the performance, Ms. Harshbeena Zaveri, Managing Director said,

“While the global supply chain shortages have eased to some extent, higher input costs remain a challenge, amidst tough market conditions the company has reported good performance with Revenue growth of 36% and EBITDA 81% for the Nine months of FY22 compared to the same period last year. Profit after tax registered a growth of 185% (yoy) for 9 months ended 31st December 2021.

The management has decided to restructure its manufacturing operations by closing down two of our facilities in Thane and Chikalthana, Aurangabad. The existing plant and machinery will move to our larger plants will allow us to bring in more automation and be more flexible with our production. We are continuously investing in the latest technologies and have built many of our own machines inhouse which is a key strength of the group.

Going ahead we will leverage our capabilities to develop newer products and to gain market share. Management is passionate for quality and our proven track record to turn challenges into opportunities is well known and well respected by auto majors and auto component suppliers globally. As communicated with all the shareholders in the past, we are well on track to achieve our Hybrid / E-Mobility strategy and further strengthen our leadership position in the sector. I would like to thank all our stakeholders for their continued support.

We are cautiously optimistic and hope that demand revival we are seeing currently continues going forward. We are working towards penetrating the E-mobility/ EVs market and expect new product pipeline to be healthy.

About NRB Bearings Limited (NRB):

Founded in 1965, NRB was the first company to manufacture needle roller bearings in India. For over 40 years NRB has pioneered the leading edge of bearing technology, and today over 90% of vehicles on Indian roads run on NRB parts. Since its inception, NRB has grown beyond its signature product to offer a wide range of high-precision friction solutions not only in the automotive sector, but across all mobility applications.

NRB is one of the global benchmark for quality and innovative design in high-precision friction solutions. NRB Bearings is a recognised leader in needle roller bearings, conventional cylindrical roller bearings and has developed a new generation of lightweight drawn cup bearings.

Safe Harbor

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

Company:



NRB Bearings Ltd

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