

June 14, 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 June 14, 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 FY22 Financial Performance

- ✓ Revenue at **Rs. 944.21 crores**, growth of **24%** y-o-y
- ✓ EBITDA at **Rs. 146.53 crores**, growth of **41%** y-o-y
- ✓ PAT at **Rs. 75.61 crores**, growth of **36%** y-o-y

Mumbai, June 14, 2022, NRB Bearings Limited, India's premier bearing manufacturer has announced its financial results for the quarter and nine months ended 31st March 2022.

Nine Months Financial Highlights:

Particulars (Rs. Crs.)	FY22	FY21	Y-o-Y
Revenues	944.21	762.40	24%
EBITDA	146.53	103.88	41%
EBITDA Margins (%)	15.52%	13.63%	
Profit After Tax (PAT)	75.61	55.70	36%

Quarterly Financial Highlights:

Particulars (Rs. Crs.)	Q4 FY22	Q4 FY21	Y-o-Y	Q3 FY22	Q-o-Q
Revenues (Sales)	255.63	257.24	-1%	230.71	11%
EBITDA	43.11	46.76	-8%	29.34	47%
EBITDA Margins (%)	16.86%	18.18%		12.72%	
Profit After Tax (PAT)	17.46	35.29	-51%	16.97	3%

Key Highlights:

- Revenues increased by 24% in FY22 to Rs. 944.21 crores as against Rs. 762.40 crores in FY21
- As businesses across the world try to tackle supply chain issues, a major part of the strategy includes reducing dependency on China. India is poised to gain a significant advantage and expand its current market share. We anticipate this trend to play out over the next few quarters and benefit us in the long term.
- The commercial vehicle category is poised to grow further on account of strong demand for mass transit systems
 - Enhanced product mix with higher realizations leading to sustained and higher margins
 - High volume of bearing requirement in building these vehicles which are generally much larger in size.

- **Financial Highlights:**

- In FY22, the raw material prices saw a significant jump. Price increase is under discussion
- Margin stood at 15.52% for FY22, growth of **41%** y-o-y
 - Margins got impacted due to increase in raw material costs and logistics costs
- Reported a PAT of Rs. 75.61 crores for FY22, growth of **36%** y-o-y
 - On-going rationalization of manufacturing facilities will also help us improve our profitability in the future

- **Export:**

- Company currently supplying to 45 countries
- Despite the Russia-Ukraine conflict and logistical challenges, demand in Europe and America is stable and expanding. Company is gaining a larger proportion of the market, and we expect exports to rise faster than the domestic market

- **Subsidiary Companies:**

- Company has 3 manufacturing subsidiaries viz. SNL Bearings Limited (SNL), NRB Bearings (Thailand) Limited (NRBT) & NRB Holdings Limited.
- SNL dominates the 2-wheeler and small industrial bearings segment and has reported profit after tax of Rs. 1.88 crores, for Q4FY22.
- 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:**

- The announced expansion of R&D facilities and capacity expansion in Thailand subsidiary is well on track

- **Future Outlook:**

- NRB is a leader in customized needle and cylindrical bearings and integrated friction solutions which encompass in-house production of shafts and rings. We have gained market share in our 'chosen' segments even in the last quarter and dominate the global truck segment
- We believe hybrid vehicles will see a significant growth before EV picks up. The growth will come initially from Hybrid and electric vehicles will follow.
- 100% of NRBs export output is in hybrid and E-Drive passenger cars and trucks from light and medium to the heaviest trucks already moving/having moved towards electric powertrains, from the Steering, the transmission and E-axle to the braking system, a higher proportion than any other bearing company in India
- We are well positioned to capture the growth of hybrid market, as we have a strong pipeline for new products to offer to our customers.
- The Company is continuously investing in the futuristic products as well as on the future platforms which we are co-developing. We believe we are in the forefront of the launches for the world's most advanced vehicles.
- We are cautiously optimistic and hope that demand revival we are seeing currently continues going forward.

- **Sustainability:**

NRB is constantly coming up with innovations that focus on sustainability: offering higher fuel efficiency performance whilst improving life of the vehicle. Our R&D is driven by the best software and test bench equipment in the field.

- In FY22 the company has been successful in using 60% of reclaimed raw materials in its needle roller manufacturing process
- All our products and consumable materials used in-house are ELV compliant and free from hazardous elements
- NRB furnaces have been made energy efficient and with higher output by using Nitrogen instead of LPG generated Endo Gas, providing a protective atmosphere for our plants, and reducing greenhouse gases emission. Maharashtra Pollution Control Board (MPCB) has appreciated this initiative by changing the MPCB consent category from Red to Orange
- Use of induction heat treatment for quenching resulted in saving of energy in heat treatment and elimination of use of quenching oil.

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

“We are pioneers of lightweight bearing and precision mobility products with global majors as our partner in the journey to create a more sustainable world. We have strengthened our product development with proprietary copyrighted analysis and design software with a focus to develop products that are more sustainable.

As we see higher awareness about sustainability and there is an increased demand from consumers for fuel-efficient vehicles. This has led to development of hybrid vehicles which are now entering the market. A pragmatic approach by the industry and the users will see early adoption of these vehicles before the ongoing innovation in enhanced fuel cell and batteries for the development of next generation EVs. Product development initiatives along with rise in the sales of hybrid and EVs will offer the global bearing market a further boost. Our focussed efforts in developing special bearings for hybrid & EVs are aimed at offering improved efficiency, operability, and longer shelf life.

In the last fiscal, we were able to report good performance with Revenue growth of 24% and EBITDA growth of 41% compared to the same period last year. Profit after tax registered a growth of 36% (YoY) for the year ended 31st March 2022.

We are cautiously optimistic and hope that the momentum in demand revival continues. We are committed to strengthening our operations with focus on sustainable growth. The commitment of our employees and their dedicated efforts will lead us to our financial and operational goals. We strive to generate & deliver value for all our stakeholders.”

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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