



MERITOR
RUN WITH THE BULL



KALYANI



AUTOMOTIVE AXLES LIMITED

August, 2021

SNAPSHOT FY21



FY21: REVENUE - ₹913 Cr; EBIDTA - ₹73 Cr (8.0%); PBT - ₹30 Cr (3.3%)



MANUFACTURING LOCATIONS - 4 Manufacturing locations

Mysore, Jamshedpur, Pantnagar, Hosur



EQUITY SHARE: Meritor Inc, USA – 35.5%, Kalyani Group – 35.5%, Public – 29%



WORKFORCE - 2,000+ employees



CUSTOMERS – All major CV, specialty and defense OEMs



PRODUCTS – Axles, brakes and suspension systems



MARKET POSITION - #1 in Axles (independent) & #2 in Brakes

COVID Update

Current Status



Total Vaccination > 95%* employees vaccinated

Key Initiatives



- Vaccination camps for employees and families



- Awareness campaigns for sensitising employees and families on covid appropriate behaviour



- Regular communication from the leadership team to ensure adherence to protocols and keep up employee morale



- Set up a 86 bed facility in Mysore for Covid treatment
- Donated mobile labs for improving diagnostics reach to rural areas
- Donated 3 crores to PM cares fund
- Donating oxygen generation plant to the hospital



DIVERSE End Markets and Major Customers

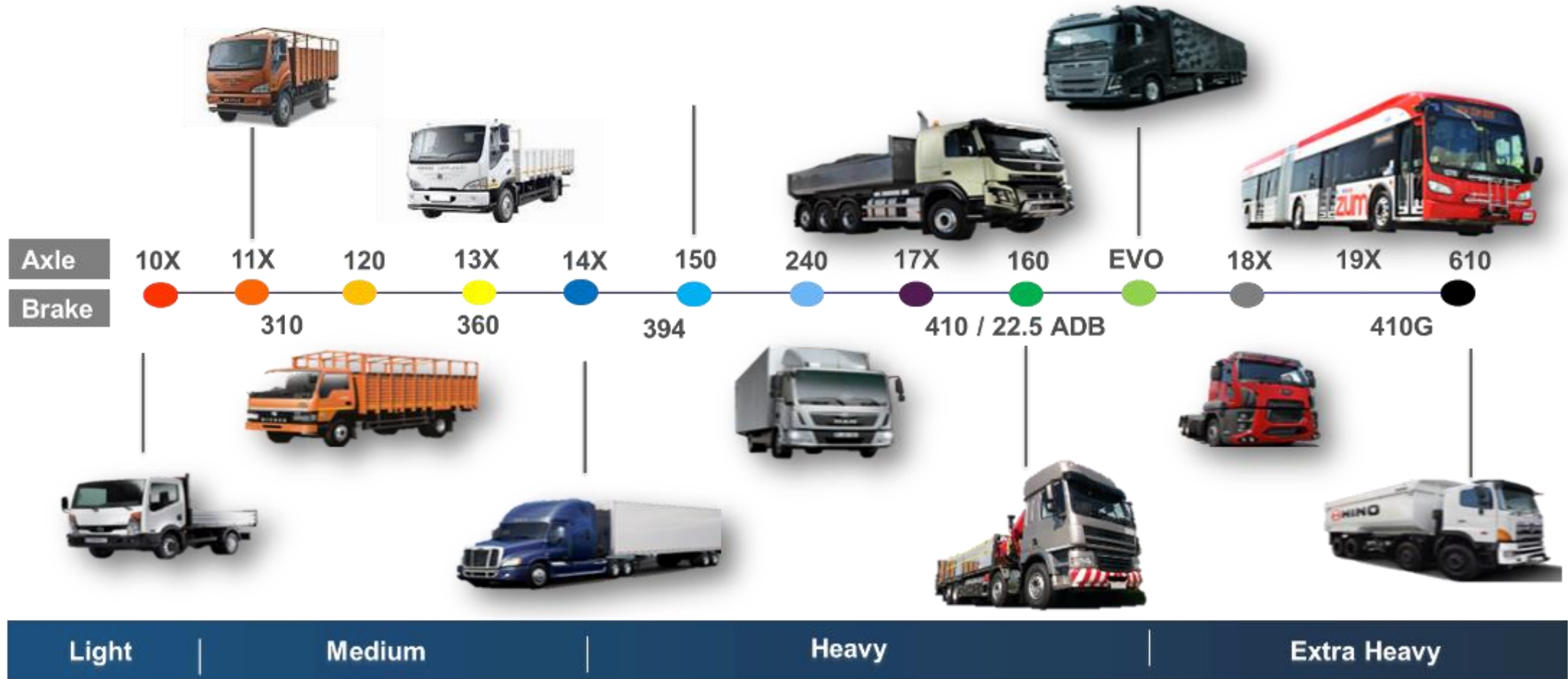
Diverse End Markets



Major Customers



MOST COMPREHENSIVE Axle & Brake Offerings



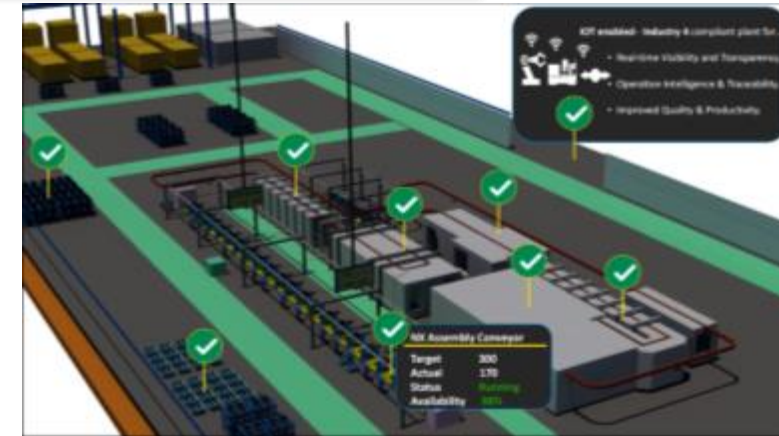
NEW AXLE ASSEMBLY PLANT ~ Industry V4.0 Enabled

Axle Assembly Plant

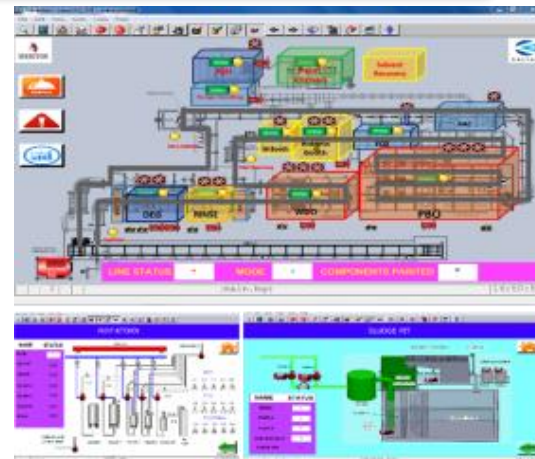


- Axle assembly plant with robotic paint shop & Industry 4.0 Enabled
- Total Area – 4734 Sqm
- Axle Assembly – 20K/ Month

Industry 4.0

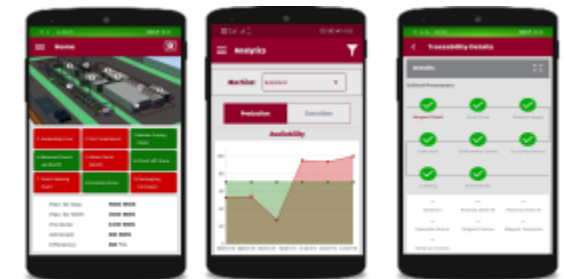


Traceability & Real Time Monitoring



SCADA Enabled

Digital MIS



Machine Wise Overview Real-time Analytics Product Traceability

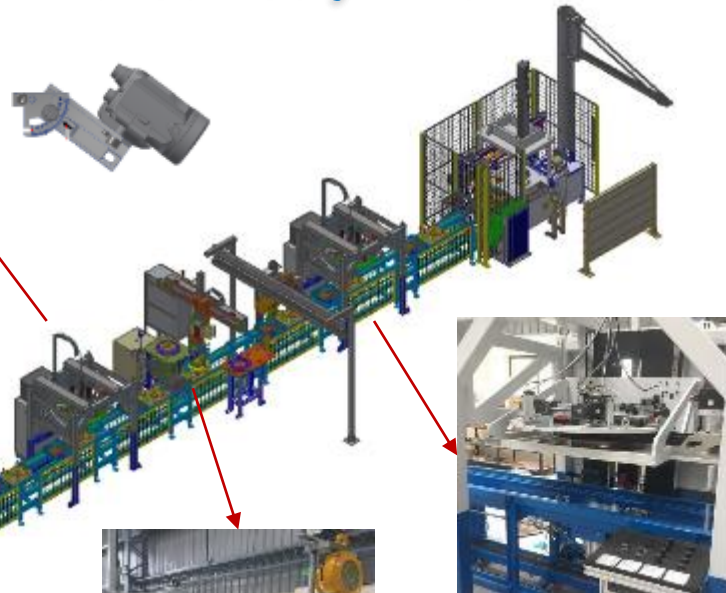
DIGITAL Assembly Line



Diffcase Assly Line



Vision Camera for Thrust washer - Pokayoke



Assembly Conveyor



Rotation Checking Station

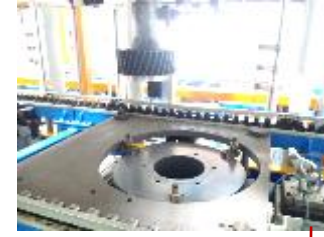


Auto Torqueing Station for Diff to case & Gear to case

Pinion Assembly Line



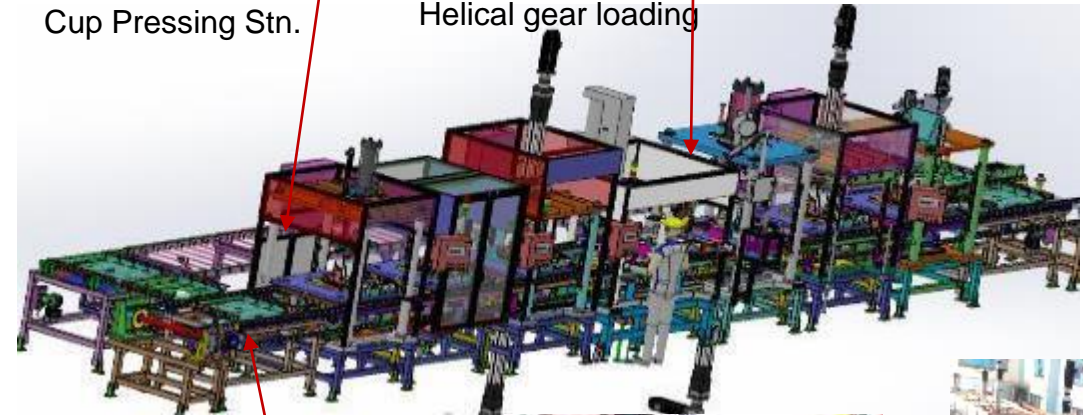
Cup Pressing Stn.



Helical gear loading



Pinion cone pressing



Assembly Conveyor



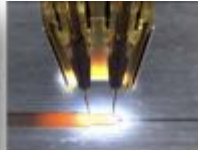
Pinion preloading



Defect Free Product Line

TECHNOLOGY Initiatives

Welding



Tandem wire



TAST



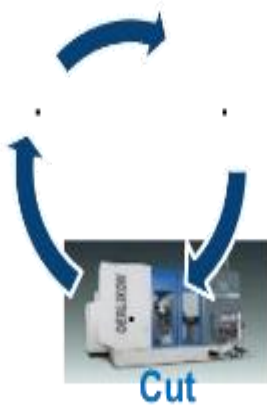
Auto torch
Cleaning

- Touch Sensing
- Adaptive Welding
- TAST
- Tandem wire weld
- Automated Torch Cleaning System

Gear



Inspect



Set



Cut

- Spiron II cutting System
- Close Loop Manufacturing
- Handling automation
- Turbo testing and Lapping
- Quiet Ride

Machining



Multi Spindle



Twin turret



Shrink Fit Tooling



High Speed
cutting

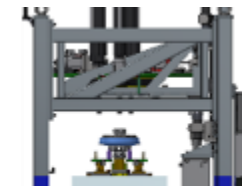


- Multi Spindles
- Simultaneous Machining
- Twin turret
- High Speed Cutting

Assembly



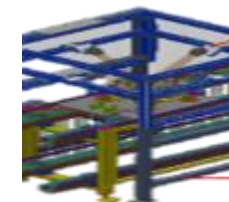
Robotic Painting



Auto Torqueing



Barcode/ RFID



Vision Camera



SCADA



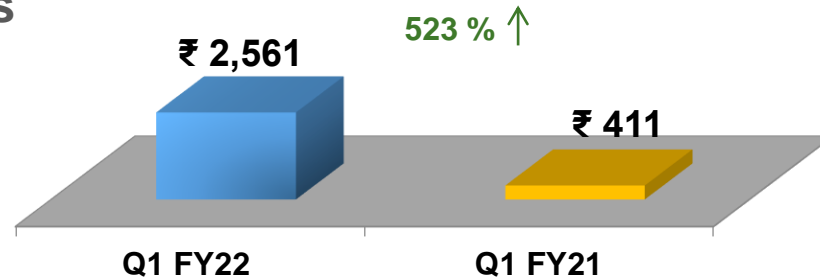
- Industry 4.0
- Poka Yoke
- Visualization
- Data acquisition
- Traceability

FINANCIAL RESULTS:

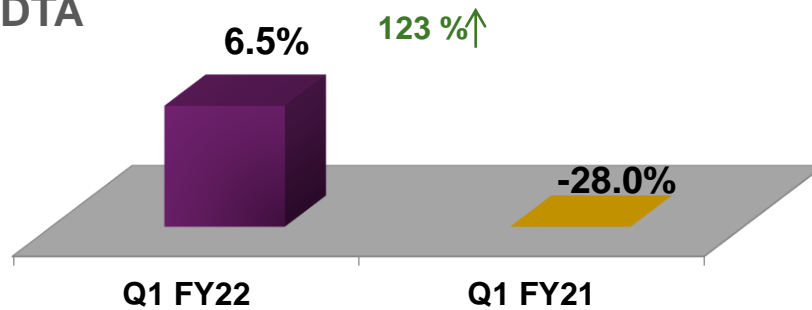
Values in INR Mn

Q1 Performance

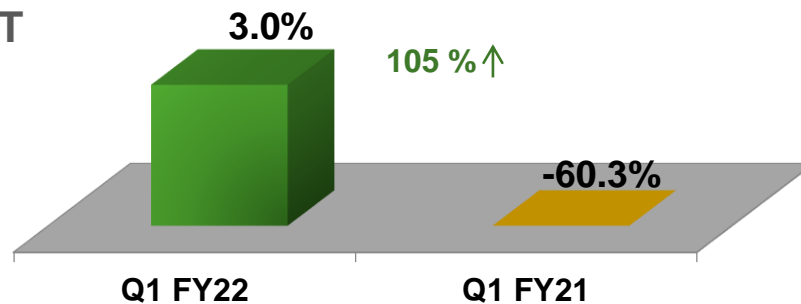
Sales



EBIDTA



PBT



Key Highlights

Revenue:

- Q1 FY22 revenue has grown by 523% as compared to previous year Q1 (low base due to lockdown)

EBITDA:

- Protect and grow EBITDA
- Continuous focus on revenue improvement, cost reduction and new product development as part of Mission 25 Strategy

PBT:

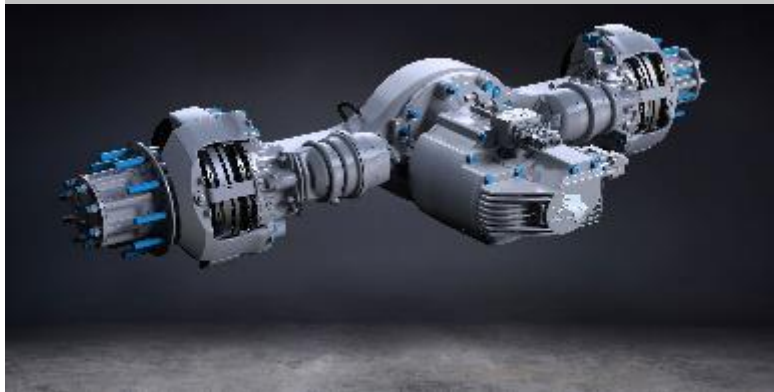
- No working capital borrowing
- PBT might get impacted due to depreciation and interest cost

Continuous focus on Cost Control and Process Improvement

KEY ACTIONS to Manage Business Successfully

Business Growth Strategy

- New Business wins and opportunities in pipeline
- Product Development – Launch of New products
- Drive eMobility business
- Digitalization – Implementation of Industry 4.0
- Geared up with capacity to cater to rising market demand



Cost Measures

- Cost control measures in place for Conversion, Material and Manpower cost control
- Commodity price increases gives temporary pressure in reflecting the true cost reduction in the financials
- Significant savings expected through M2022 timeframe



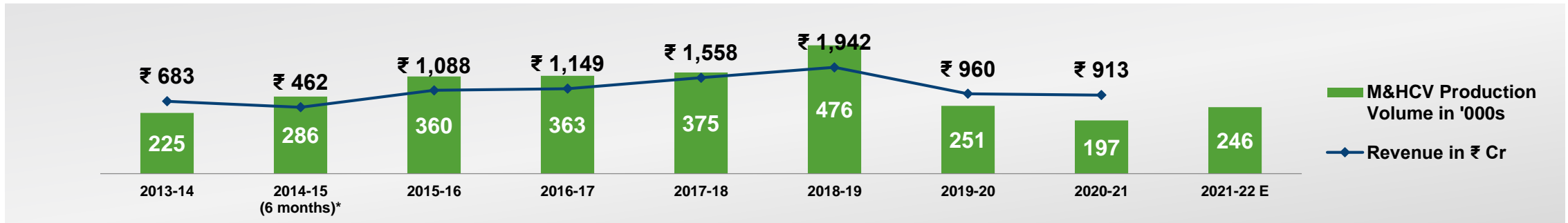
Safety Practices

- Regular and continuous audits led by the Management Team to ensure safety protocols
- Multi-shift operations continue across locations
- Monitoring Covid -19 tests, results and recovery within the company



GROWTH through Mission 25 Strategy

AAL Vs MHCV Market Growth



Mission 25 Focus	Status
Grow Revenue	On Track
Enhance Profitability	On Track
New Business Wins	On Track
Operations Excellence	On Track
Customer Value	On Track



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