



**MERITOR**  
RUN WITH THE BULL



**KALYANI**



# AUTOMOTIVE AXLES LIMITED

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*February 2022*

# SNAPSHOT FY21

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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 > 99%\* employees vaccinated
- Active Cases – 3 [all are in home quarantine]

## Key Initiatives



- Continuous 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

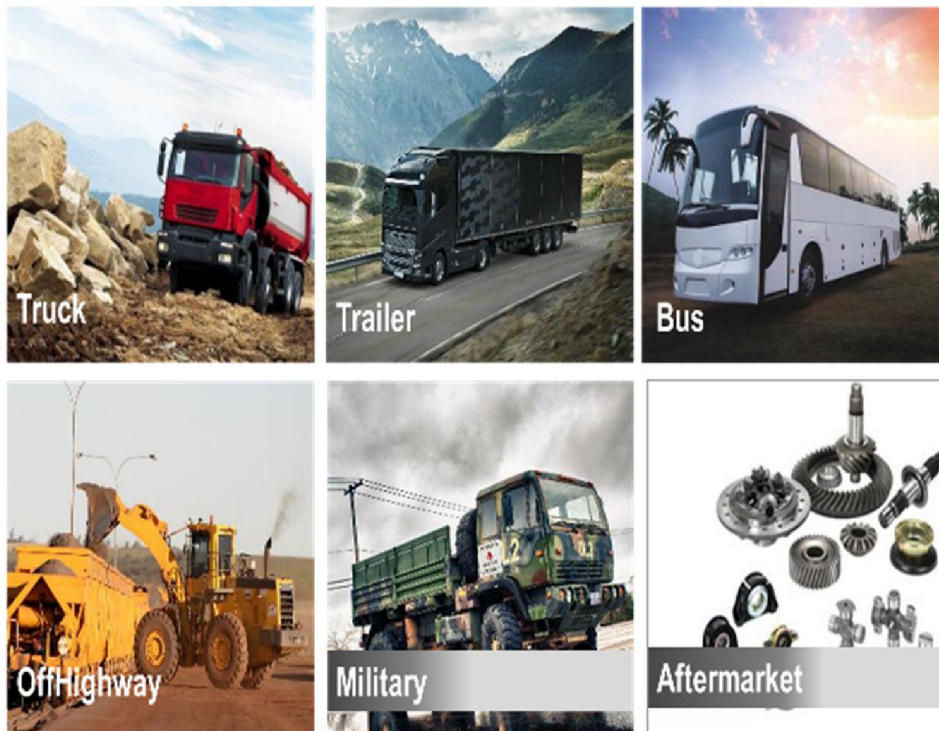


- Shift / Alternate working pattern initiated
- Continuous sanitization throughout plant & office areas
- Initiated disposable plates, cups, spoons, etc at Canteen & seating arrangements done with social distancing



# DIVERSE End Markets and Major Customers

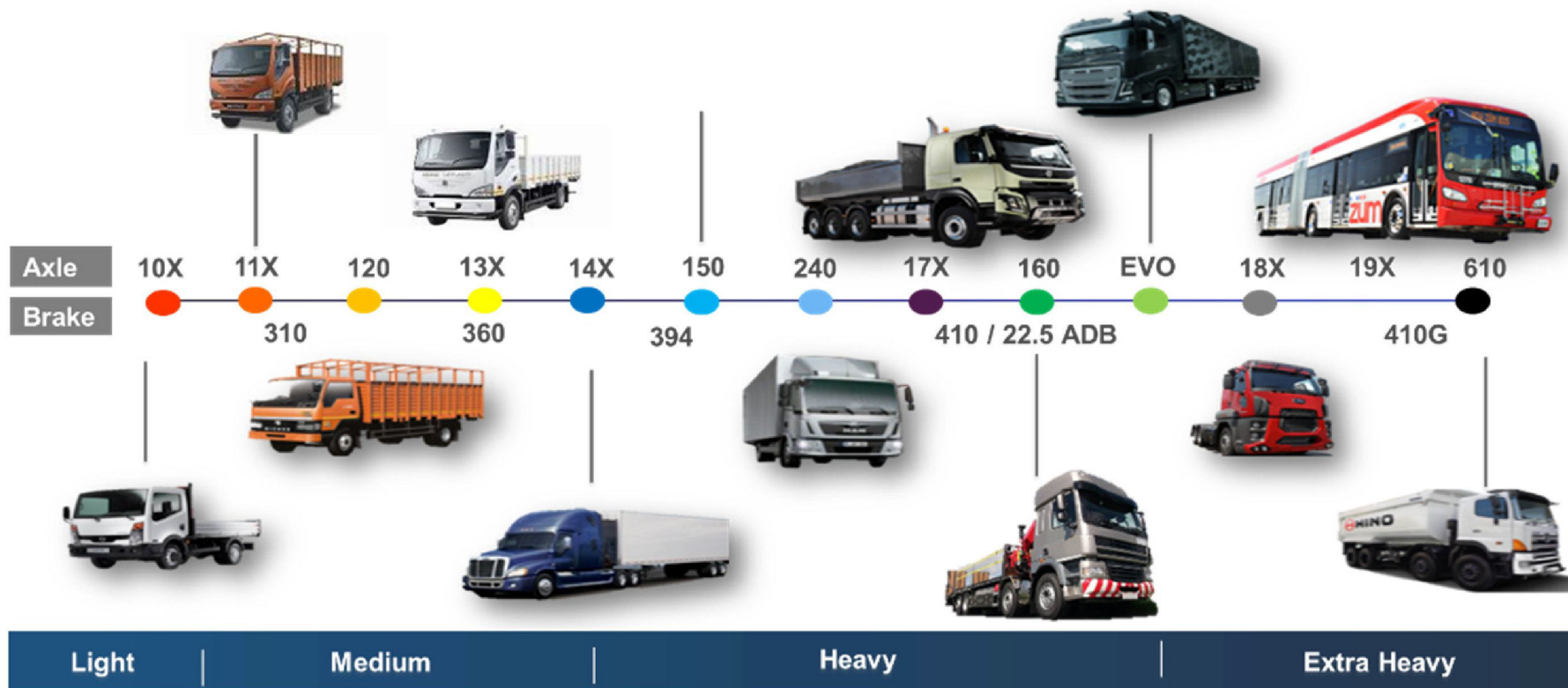
## Diverse End Markets



## Major Customers



# MOST COMPREHENSIVE Axle & Brake Offerings



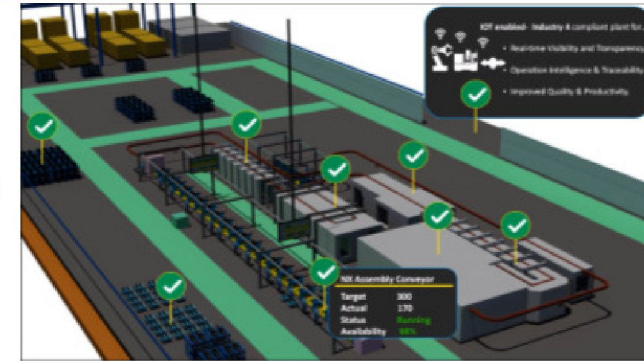
# NEW AXLE ASSEMBLY PLANT ~ Industry V4.0 Enabled

## Axle Assembly Plant

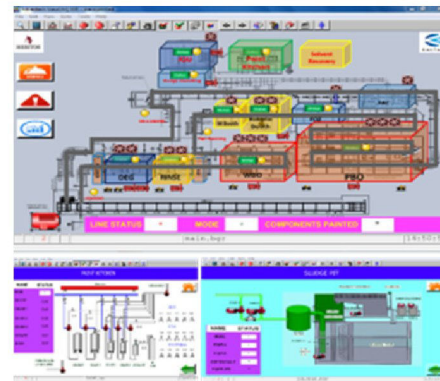


- Axle assembly plant with robotic paint shop & Industry 4.0 Enabled
- Total Area – 4734 Sqm
- Axle Assembly – 20K/ Month

## Industry 4.0

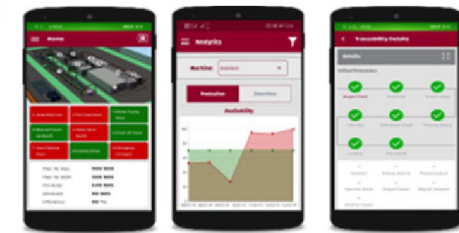


## Traceability & Real Time Monitoring



SCADA Enabled

## Digital MIS



Machine Wise Overview Real-time Analytics Product Traceability

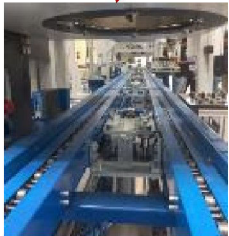
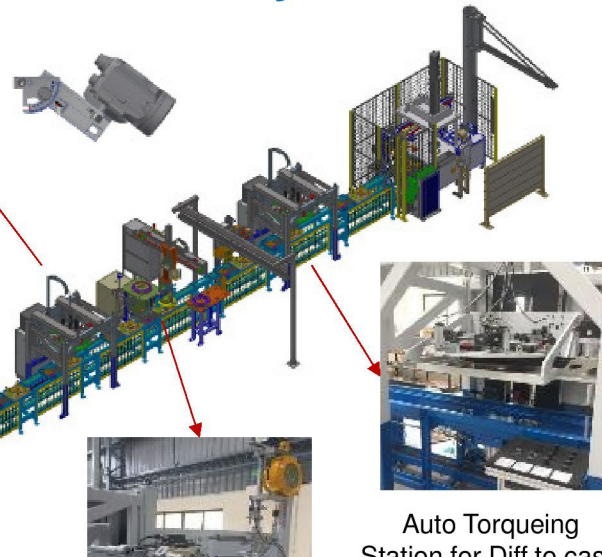
# DIGITAL Assembly Line



## Diffcase Assly Line



Vision Camera for Thrust washer - Pokayoke



Assembly Conveyor

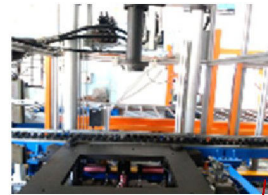


Rotation Checking Station

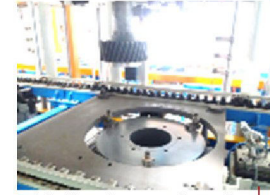


Auto Torqueing Station for Diff to case & Gear to case

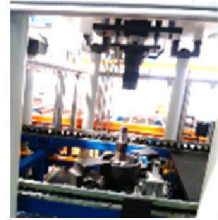
## Pinion Assembly Line



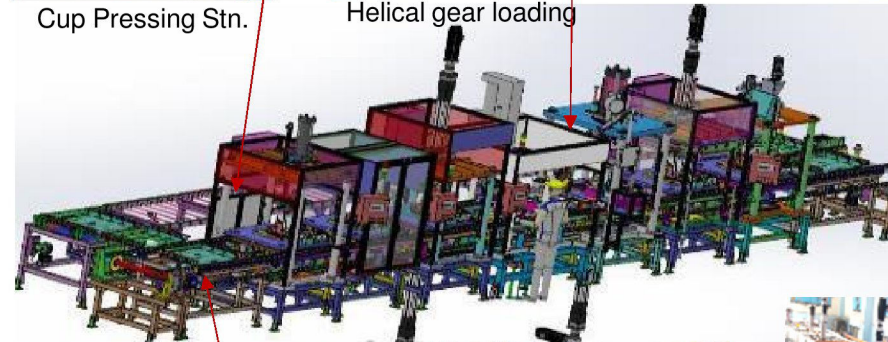
Cup Pressing Stn.



Helical gear loading



Pinion cone pressing



Assembly Conveyor



Pinion preloading



## Defect Free Product Line

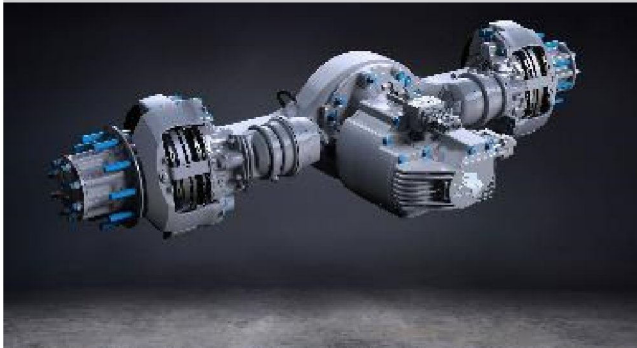




# KEY ACTIONS to Manage Business Successfully

## 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 continuous pressure in reflecting the true cost reduction in the financials
- Continuing our focus on overall cost optimization and 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
- 99% staff vaccinated and we are continuing COVID protocols and safety measures.



# SUSTAINABILITY Key Actions

FY Oct- Sep

## A. Spare a Watt, Save a Lot

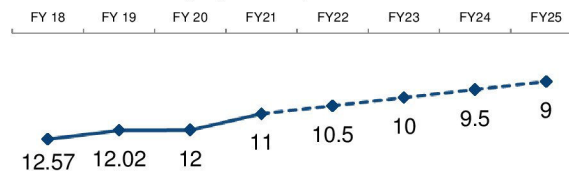
Energy from Renewable Source



- Energy from Captive solar (12 MW/yr) - Sep 22
- 20% Consumption reduction - FY27
- Replace LPG with LNG – Dec 22

## B. Caring Mother Earth

Ground Water Level in Summer (depth in m)



- Water positive by FY23-24
- Carbon Neutral by FY26-27
  - 20,000 Tree Plantation around Chamundi hills

## C. Sustainable Manufacturing

Truck Loading Efficiency



- Internal Material movement reduction by 30%
- Yield Improvement by 20%
- ISO 14021 & 14024 (Green certification by 2024)

## D. Digitalization

Industry 4.0 compliant Plant

- NX Line Completed
- Housing one line in progress
- Drive Head Assy and Speciality axle by 2022

Administrative & Transactional process Automation

- Supplier Portal
- 2 Bin system
- SAP enabled MIS
- Paper-less office by 2025

## E. Social Connect

Initiative / No. of projects	2021-23	2023-25
Environment & Road Safety	10	20
Education to underprivileged	250	500
Health Care infrastructure	5	10
Clean water & Lake renovation	2	3

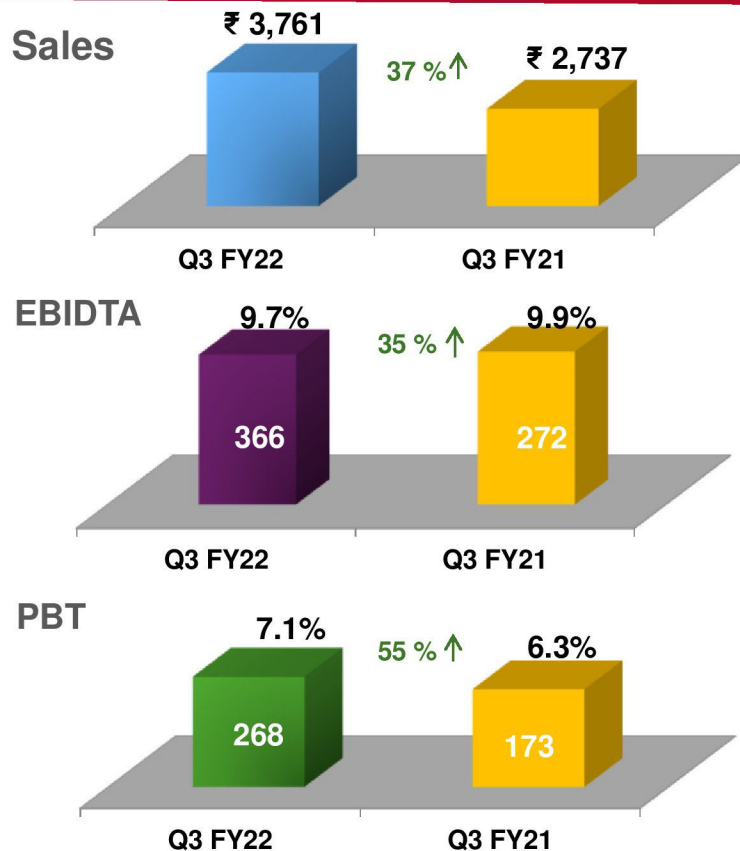
- ISO 26000 Certification for CSR assurance

## F. Corporate Governance



# FINANCIAL Results

## FY2022 Q3 Performance



Values in INR Mn

## Key Highlights

### Revenue :

- FY22 Q3 revenue has grown by 37% as compared to FY21 Q3

### EBITDA :

- EBITDA 2021 ~ 2022 (Close to LY level)
- Performance drivers: commodity increases & cost normalisation
- Continuous focus on SOB improvement, cost reduction, offset the commodity / cost normalisation impacts in Q3

### PBT :

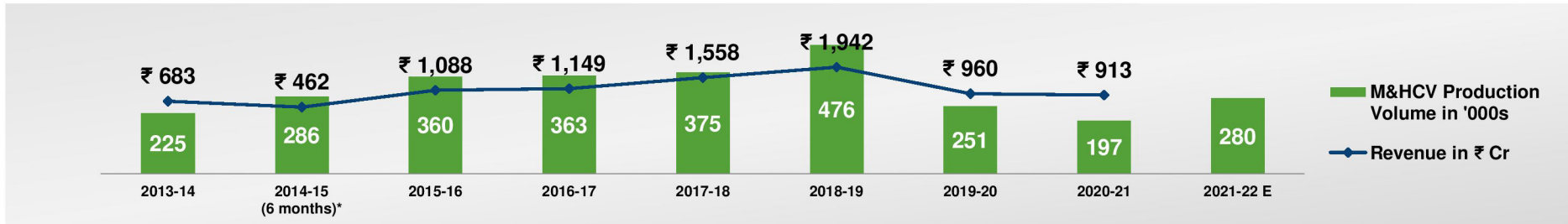
- No working capital borrowing

### Cash Flow :

- Cash flow positive for the quarter and for 9 months ended Dec'21
- Continuous focus on working capital improvement and inventory optimisation
- Continuous focus on revenue improvement, NPD, operational excellence & cost optimisation as part of Mission 25 Strategy

# 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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