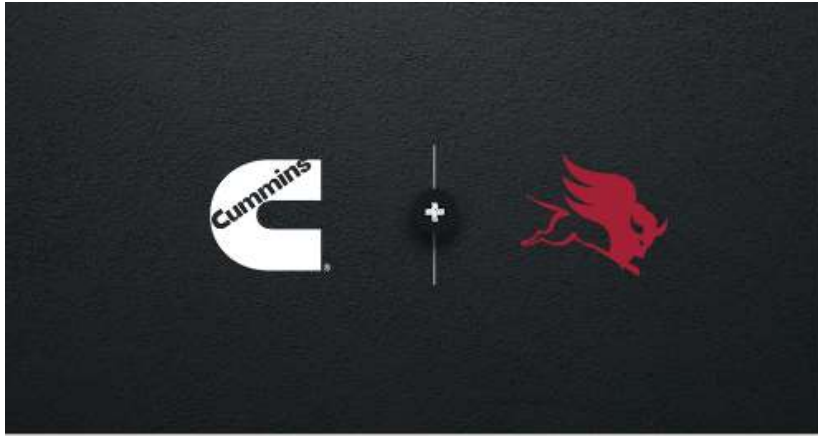


# AUTOMOTIVE AXLES LIMITED

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*Aug 2022*

# CUMMINS Acquires MERITOR



**The acquisition strengthens Cummins' industry-leading range of powertrain components and accelerates development of electrified power solutions.**

*“Meritor is a market leader, and the addition of their complementary strengths will help us address one of the most critical technology challenges of our age: developing economically viable zero carbon solutions for commercial and industrial applications.”*



Tom Linebarger  
Cummins' Executive Chairman

*“I warmly welcome Cummins as our new partner in Automotive Axles and Meritor HVS. Bharat Forge has a long relationship with Cummins as a supplier and also user of their engines in our special products and we look forward to bigger relationship, now as partners in this venture and also as a supplier. I wish the venture all success. Unfortunately, I am not able to personally be there to make this announcement jointly with Ms. Anjali Pandey of Cummins but look forward to this new relationship which will benefit all of us”*



Baba Kalyani  
Chairman, Bharat Forge Ltd.

# SNAPSHOT Q1 FY23



Particulars (Mn INR)	FY 21-22	FY 20-21	FY 19-20
Revenue	14949	9126	9597
EBIDTA	1389	729	1010
PBT	1001	302	600



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

# SUSTAINABILITY Road Map - Mission 2028

## Meritor India - Sustainability Road Map

### Excellence in Sustainability

- Achieving ISO 26000 for CSR assurance
- Projects for sustenance of all initiatives
- Deming Certification

2028

### Sustainability Certifications

- ISO 14067 standard (Carbon footprint) Certification
- Achieving ISO 14021 & 14024 (Green Product certification)

2026

### Sustainability Maturity

- Achieving ISO 50001:2011 Energy Management Systems
- JIPM award

2024

### Improving Sustainable Parameters

- Achieving 70% reduction in CO2 Emissions
- Journey towards Carbon Neutral Status
- Achieving HSPPD certification

2022

### Sustainability initialization

- Road Map for Sustainability
- Strategic Goals & Objectives
- Developing Sustainability Manual

2020

- Clean water & sanitation
- Greenery development-Trees plantation
- Rainwater harvesting & Reuse

2018

### Carbon Neutral

- ISO 14067 standard (Carbon footprint) Certification
- Achieving ISO 14021 & 14024 ( Green Product certification )
- Achieving ISO 26000 for CSR assurance
- DEMING Excellence award

2027

### Sustainability Excellence

- ISO 14067 standard (Carbon footprint) Certification
- Water Positive ISO 46001 Certification

2025

### Green Manufacturing

- Achieving HSPPD certification
- Water Positive Status
- Innovating and developing Eco-friendly products

2023

### Initiatives for Basic Sustainability

- Achieving 70% Water Positive
- 30% Energy Efficient from current levels
- Solid Waste Reduction by 25% from current levels

2021

- 15% Energy saving projects
- Raw materials optimization
- Logistica –localization & optimization

2019

- Green energy introduction – 20% Solar
- Zero discharge Plant initiatives
- Water conservation programs

2017

## SUSTAINABILITY SIX PILLAR MODEL

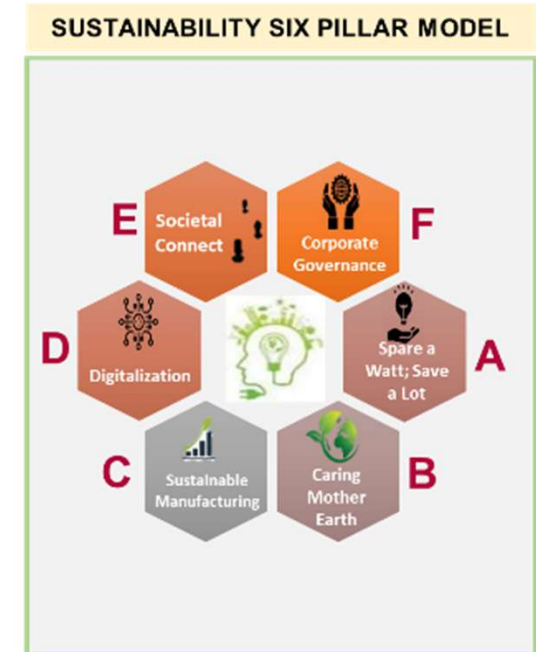


# CIRCULAR ECONOMY



Circular Economy is a frame work aiming at achieving Sustainability end to end across Supply chain

Our 6 Pillar Sustainability model is to ensure this.



# DIVERSE End Markets and Major Customers

## Diverse End Markets



## Major Customers

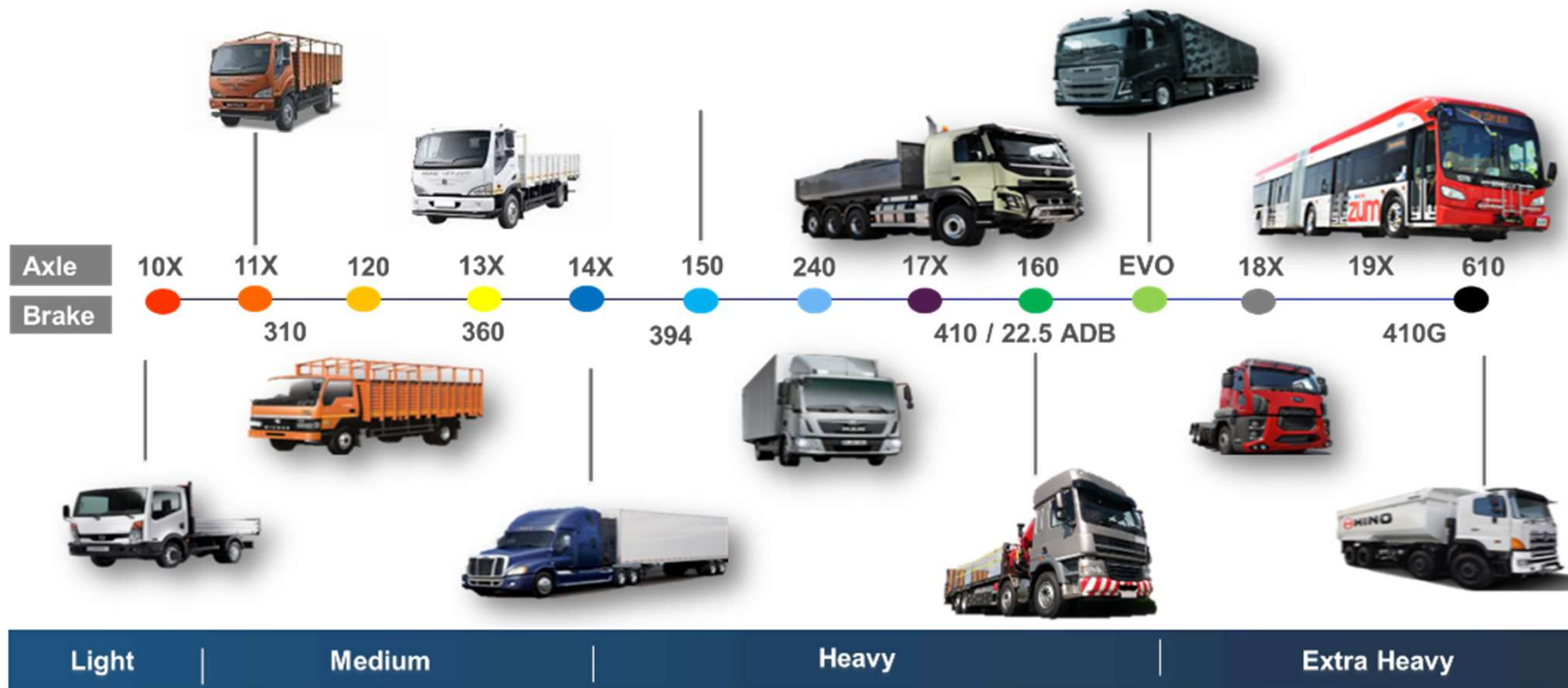


## FY22 Gold Award in Cost Category

Meritor has been conferred by Ashok Leyland with Gold award in Cost Category for the outstanding/exemplary work done in providing the better Total Cost of Ownership(TCO)



# MOST COMPREHENSIVE Axle & Brake Offerings





# EMPLOYEE Engagement Initiatives

## ■ Technical Trainings



## ■ Festival Celebrations



## ■ Women's Day Celebration



# REWARDS & Recognition Initiatives

## ■ Intranet Website Launch Event



## ■ Superannuation Event



## ■ Kaizen Awards



## ■ Spot Awards

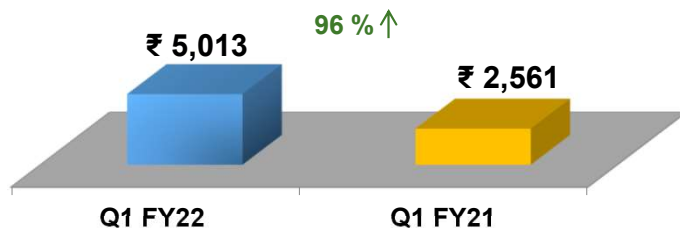


# FINANCIAL Results

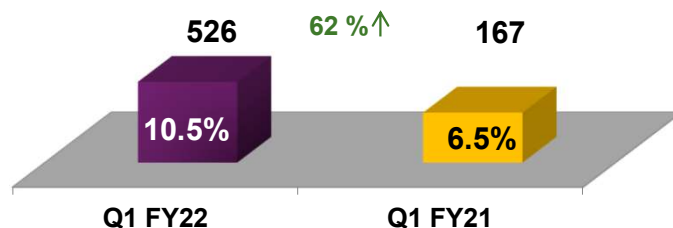
Values in INR Mn

## Q1 FY23 Performance

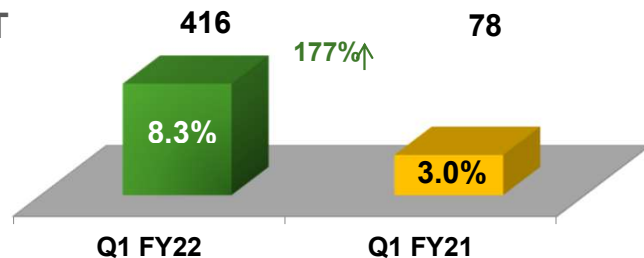
### Sales



### EBIDTA



### PBT



## Key Highlights

### Revenue:

- FY23 Q1 revenue has grown by 96% as compared to FY22 Q1.
- FY23 Q2 demand is estimated slightly higher than FY23 Q1

### EBITDA:

- Project & Grow revenue & profitability is our key focus strategy for M25.
- Commodity softening is on cards going forward
- Continuous focus on Material cost & Variable cost efficiency and Fixed cost optimisation

### PBT & Cash :

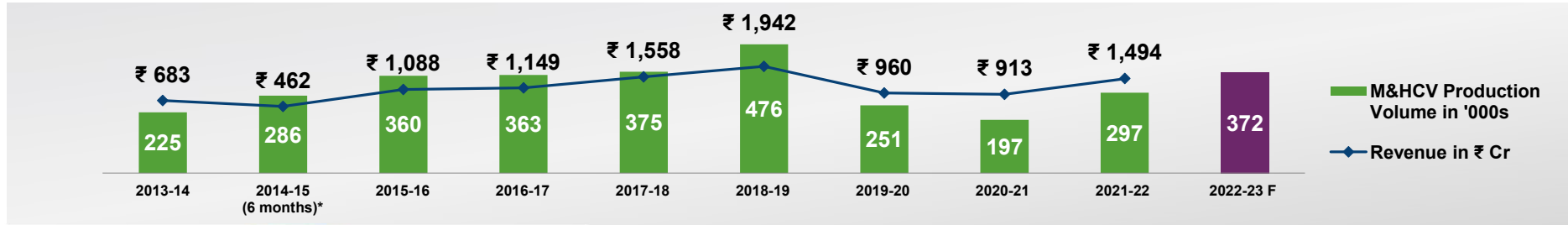
- No working capital borrowing

**Continuous focus on Industry 4.0 and digitisation initiatives**

**Commodity price fluctuations – focus continues in settlement with customers & overall management.**

# 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

# KEY ACTIONS to Manage Business Successfully

## Business Growth Strategy

- Successful implementation of LTA agreement
- Gold Award in Cost savings category by AL
- New Business wins and opportunities in pipeline
- Improve operational performance & Increase share of business with OE
- Product Development – Launch of New products
- Drive e-mobility business
- Digitalization – Implementation of Industry 4.0
- Geared up with capacity to cater to rising market demand



## Cost Measures

- Cost reduction measures at organization and plant level
- Significant savings expected through M2022 timeframe
- Further cost measures in place for Conversion, Material and Manpower cost control



## Safety Practices

- Focus on safety of employees continues though COVID pressure is low
- Vaccination Booster dose for employees & families in progress
- ESG strategy & implementation in progress



