



**MERITOR**  
RUN WITH THE BULL



KALYANI



# AUTOMOTIVE AXLES LIMITED

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*May, 2021*

# SNAPSHOT FY21

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FY21: REVENUE > ₹913 Cr; EBIDTA ₹73 Cr (8%); PBT ₹30.16 Cr (3.31%)

**Rebounded market and our improved performance Q4**



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 19 UPDATE

## Current Status

- 10 Active cases across all locations as on date, 4 in Hospital
- Our Doctor, Our Occupation Centre in our factory and HR team is in touch with all the affected employees/family on a daily basis to assist them and to boost their morale.

## Initiatives

- Arranged vaccination camp at AAL Mysore. More than 80% of 45+ employees got vaccinated as on date.
- Arranging more such camps to facilitate employees in the age group of 18 to 45 and for their family members
- Daily awareness being created invariably during entry/exit and during food time
- Appointed warriors to monitor adherence to Covid protocols 24/7 in shop floor
- Creating a 100 bed Covid care centre along with Govt. under CSR
- Donating second Mobile medical lab & care unit to the Govt

## Continued with few existing initiatives

- Two/ three shift operations with 30 minutes gap between the shifts
- Strict adherence to temp check, hand sanitisation, wearing masks/face shield & social distance guidelines
- Daily leadership & mass communication - mail, bulk SMS & video messages etc

## Covid Vaccination Programme at AAL



# ICU Care Mysuru – CSR Initiative - Work In progress

Mysuru, District Hospital



## Facilities

- ICU Beds – 26 nos
- Semi fowler beds – 60 nos
- Monitors
- Ventilators
- BIPAP machines
- Syringe Pump
- Wheel chair
- Stretchers
- Crash cart
- Defibrillators



**Launch 20 ~ 24<sup>th</sup> May**

# DIVERSE End Markets and Major Customers

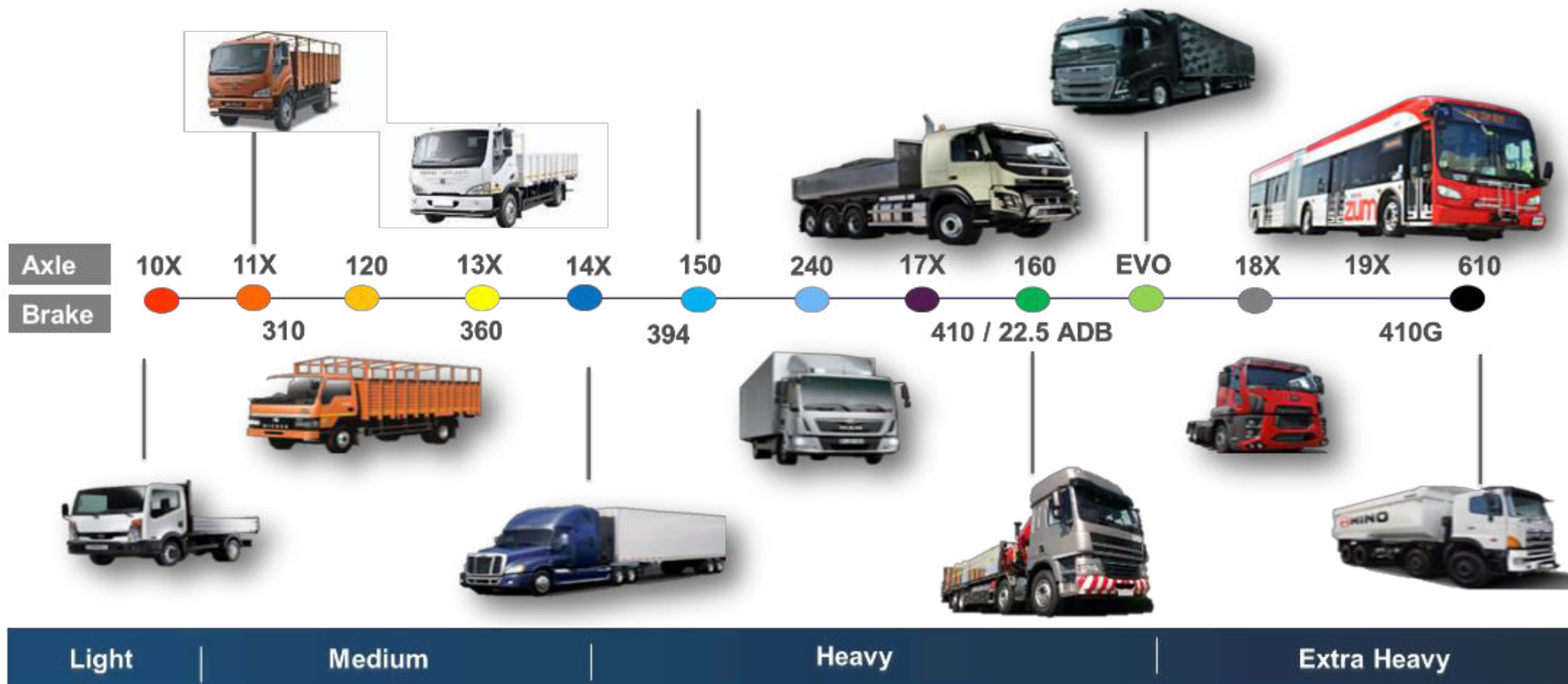
## Diverse End Markets



## Major Customers



# MOST COMPREHENSIVE Axle & Brake Offerings



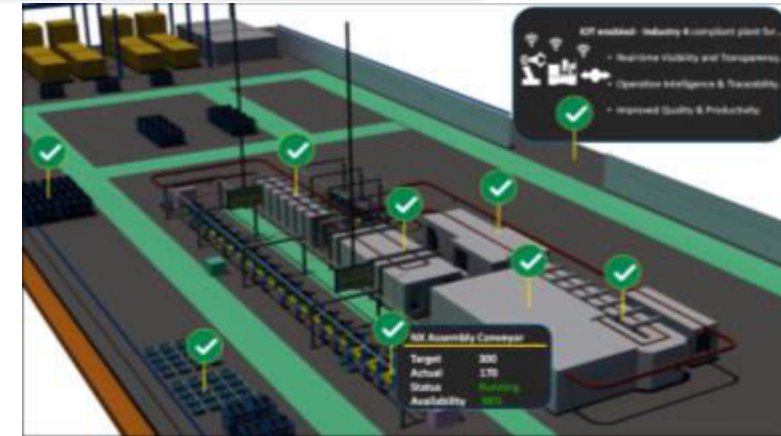
# NEW AXLE ASSEMBLY PLANT ~ Industry V4.0 enabled

## Axle Assembly Plant

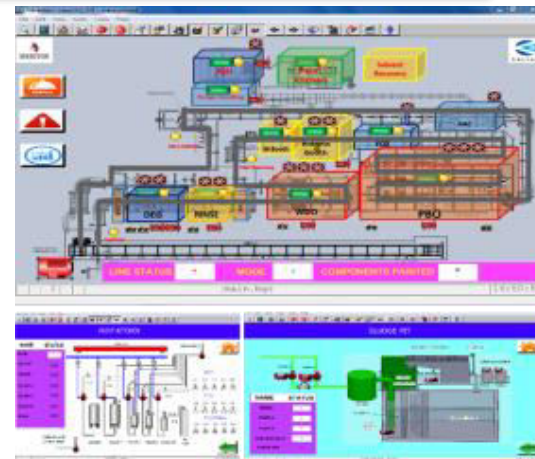
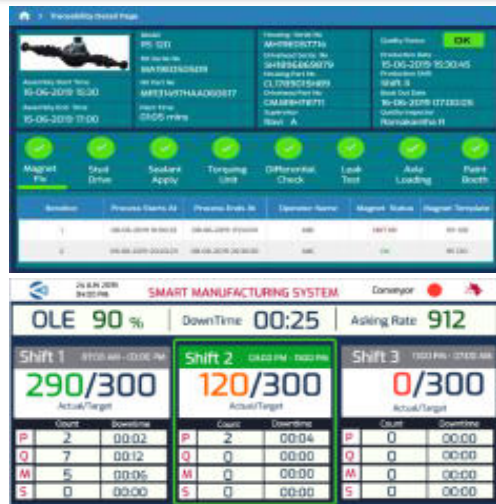


- Axle assembly plant with robotic paint shop & Industry 4.0 Enabled
- Total Area – 4734 Sqm
- Axle Assembly – 20K/ Month

## Industry 4.0

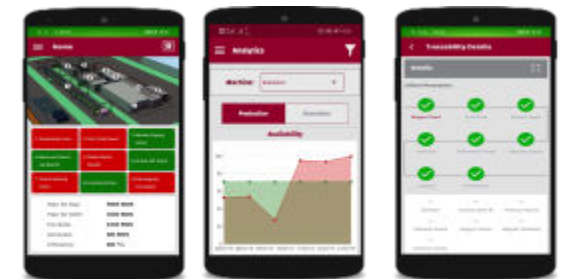


## Traceability & Real Time Monitoring



SCADA Enabled

## Digital MIS



Machine Wise Overview    Real-time Analytics    Product Traceability

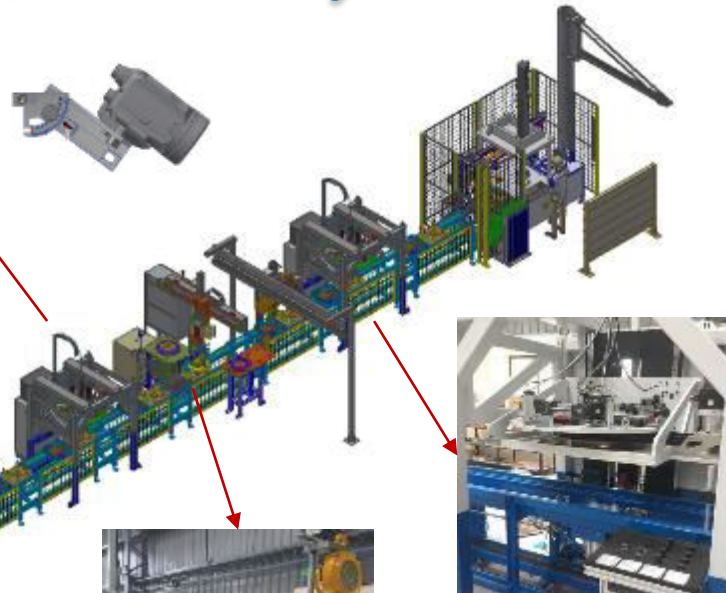
# DIGITAL Assembly line



## Diffcase Assly Line



Vision Camera for Thrust washer - Pokayoke



Assembly Conveyor



Rotation Checking Station

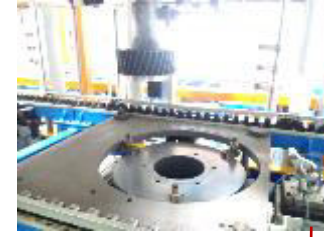


Auto Torqueing Station for Diff to case & Gear to case

## Pinion Assembly Line



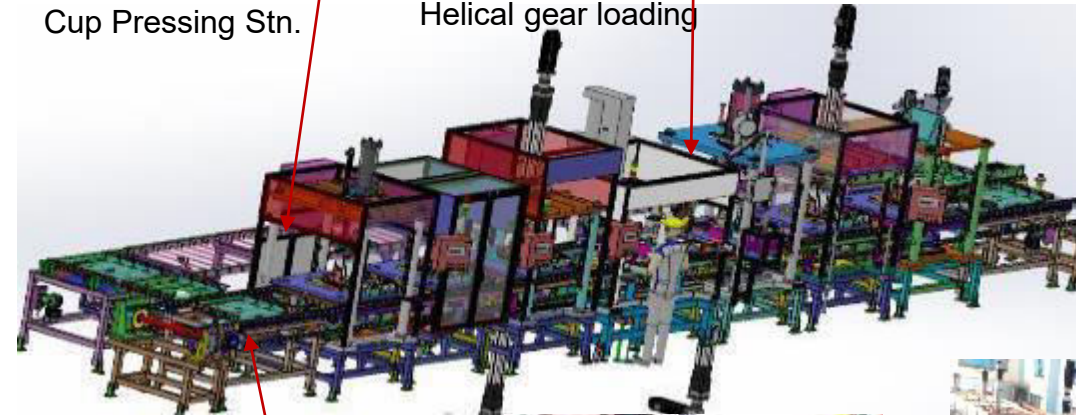
Cup Pressing Stn.



Helical gear loading



Pinion cone pressing



Assembly Conveyor



Pinion preloading

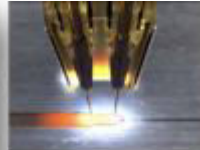


**Defect Free Product Line**



# TECHNOLOGY Initiatives

## Welding



Tandem wire



TAST



Auto torch  
Cleaning



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

## Machining



Multi Spindle



Twin turret



Shrink Fit Tooling



High Speed  
cutting

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

## Gear



Inspect



Set



Cut

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

## Assembly



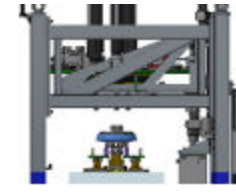
Robotic Painting



Barcode/ RFID



SCADA



Auto Torquing



Vision Camera



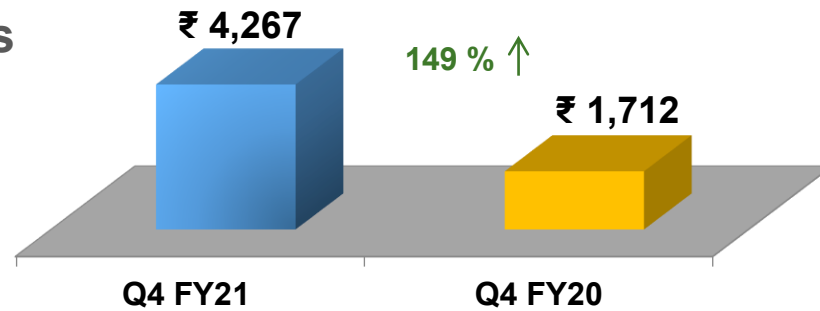
- Industry 4.0
- Poka Yoke
- Visualization
- Data acquisition
- Traceability

# FINANCIAL RESULTS:

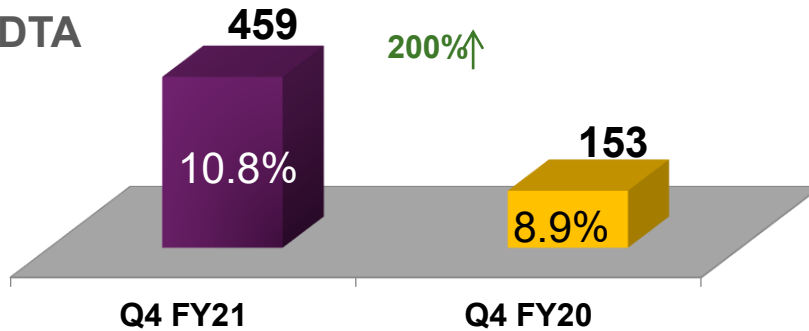
Values in INR Mn

## Q4 Performance

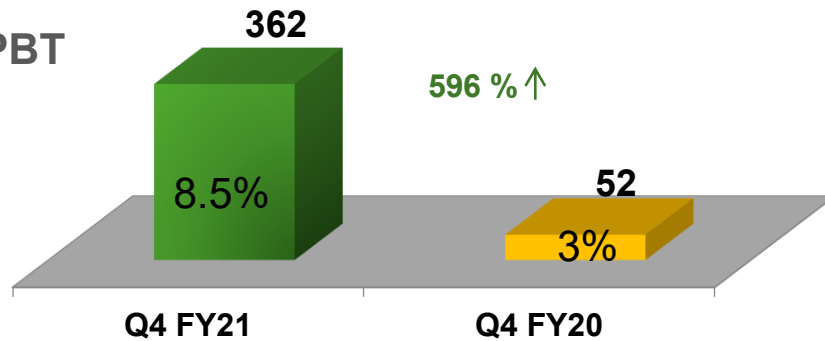
Sales



EBIDTA

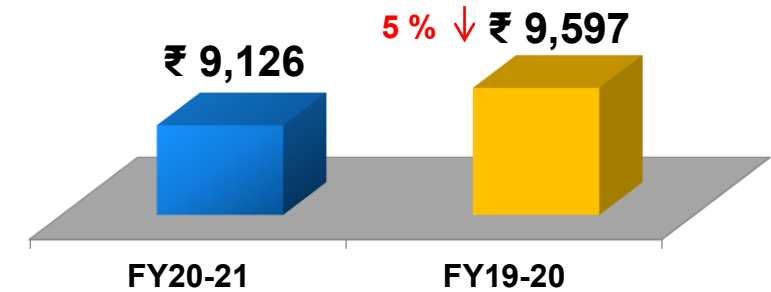


PBT

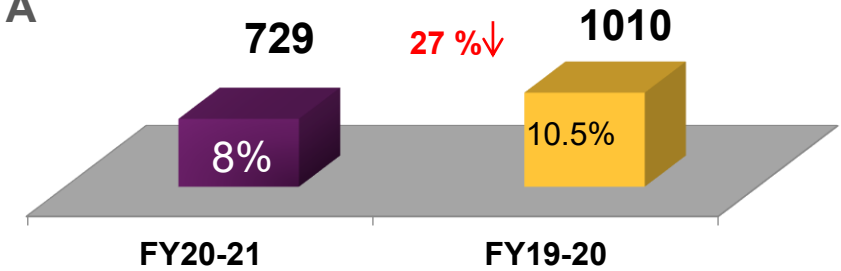


## Full Year Performance

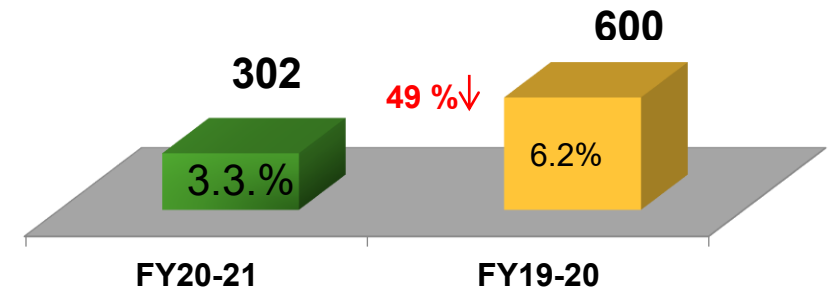
Sales



EBIDTA



PBT



# Q4 Financial Highlights

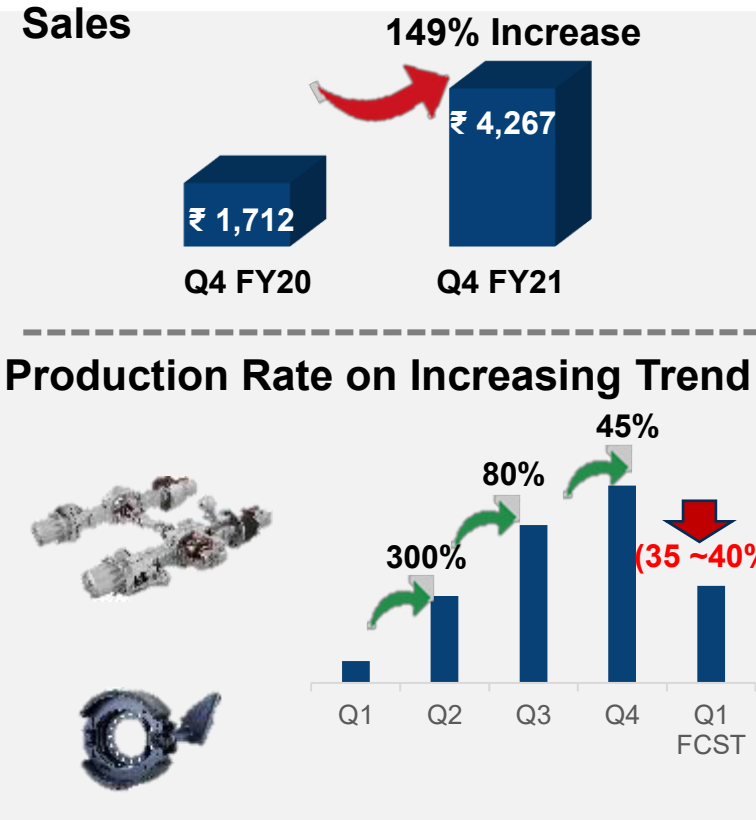
## Q4 FY2021 Results

REVENUE  
₹4267 Mn

EBITDA  
₹459 Mn 10.8%

PBT  
₹362 Mn 8.5%

## Impact of Pandemic & Recovery Trend



## Key Highlights

### Revenue:

- Q4 revenue has grown by 149% as compared to Previous Q4.

### EBITDA:

- Commodity price increase
- 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

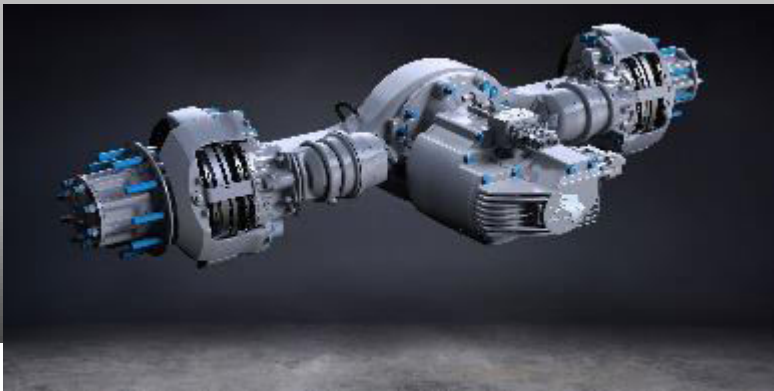
### Continuous focus on Cost Control and Process Improvement

COVID spread in May 2021, OEM not operating full in May 21 > impact revenue in Q1 2022. Market expected to be normal in Q2

# KEY ACTIONS to Manage Business Successfully

## Business Growth Strategy

- 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

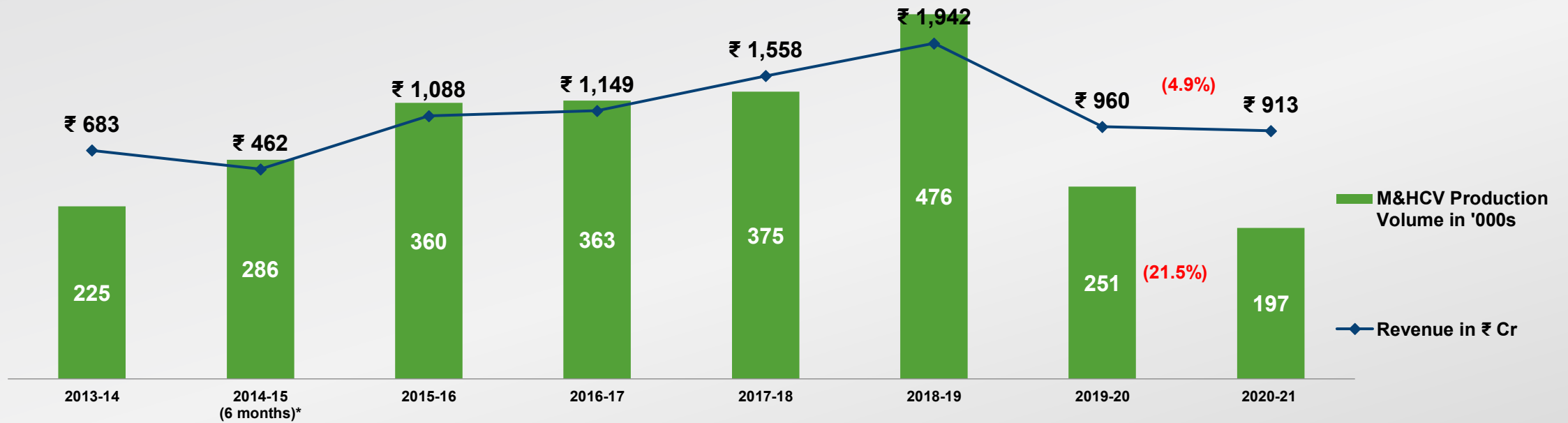


## Safety Practices

- 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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