



**MERITOR**  
RUN WITH THE BULL



KALYANI



# AUTOMOTIVE AXLES LIMITED

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*November, 2021*

# 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

## 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 a hospital
- Upgraded the Occupational Health Centre at Mysore, “SMART KSHEMA” With 24/7 oxygen facilitated bed and advanced instruments

\*Note: 99% employees vaccinated atleast with one dose



# DIVERSE End Markets and Major Customers

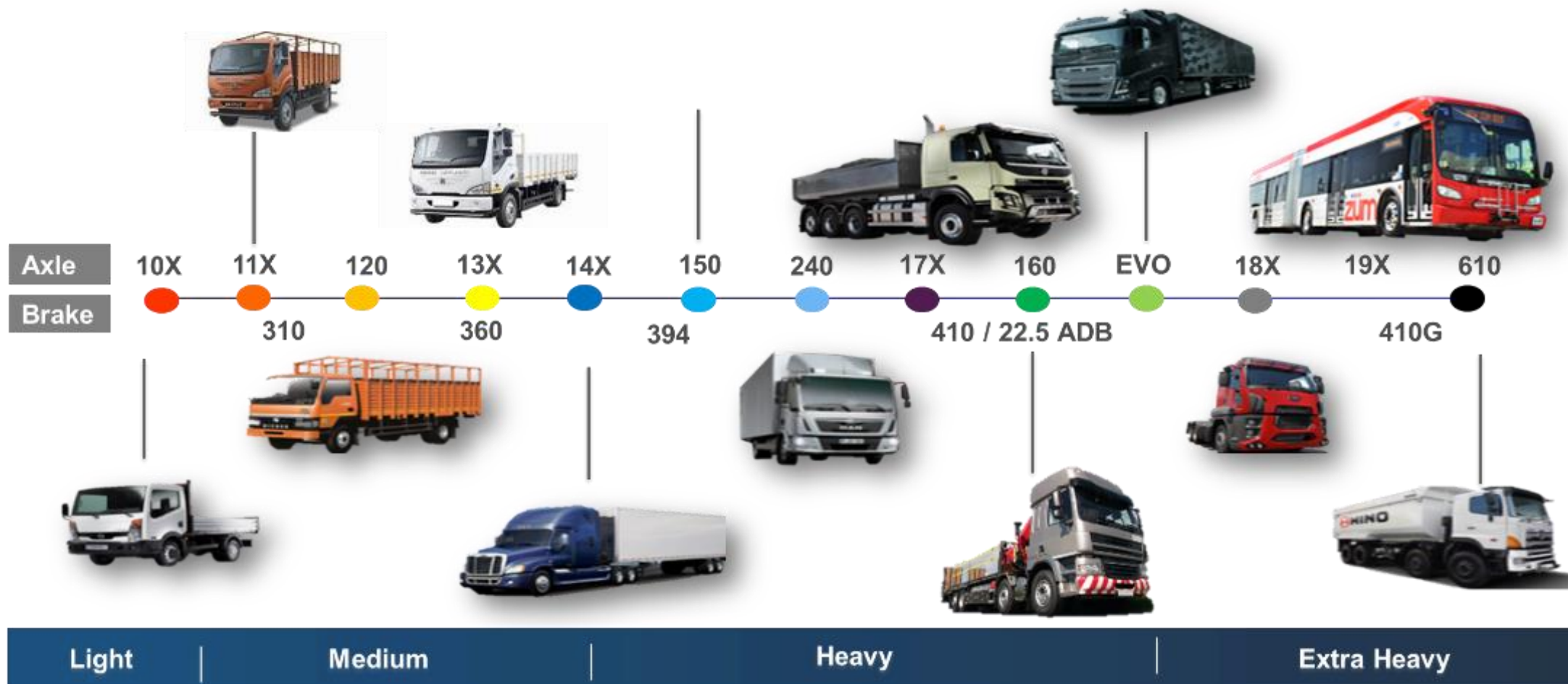
## Diverse End Markets



## Major Customers



# MOST COMPREHENSIVE Axle & Brake Offerings



# NEW AXLE ASSEMBLY PLANT ~ Industry V4.0 Enabled

## Axle Assembly Plant

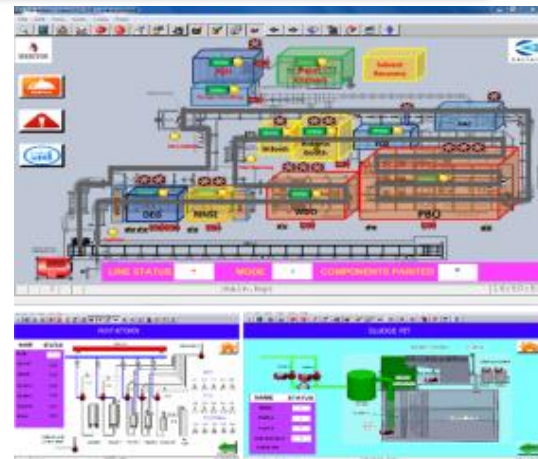


- Axle assembly plant with robotic paint shop & Industry 4.0 Enabled
- Total Area – 4734 Sqm
- Axle Assembly – 20K/ Month

## Industry 4.0

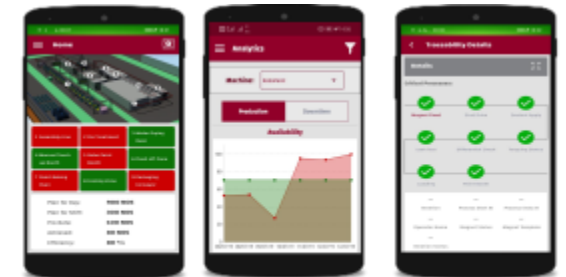


## Traceability & Real Time Monitoring



SCADA Enabled

## Digital MIS



Machine Wise Overview Real-time Analytics Product Traceability

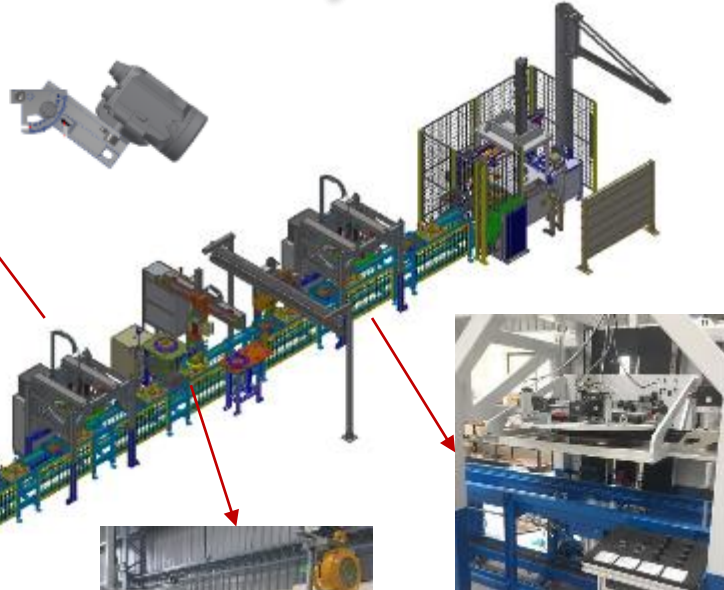
# DIGITAL Assembly Line



## Diffcase Assly Line



Vision Camera for Thrust washer - Pokayoke



Assembly Conveyor



Rotation Checking Station

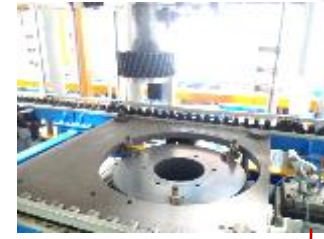


Auto Torqueing Station for Diff to case & Gear to case

## Pinion Assembly Line



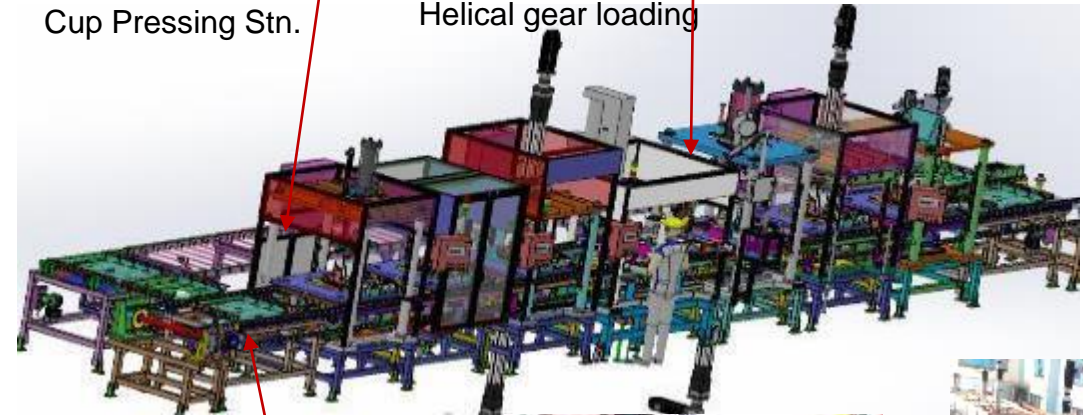
Cup Pressing Stn.



Helical gear loading



Pinion cone pressing



Assembly Conveyor



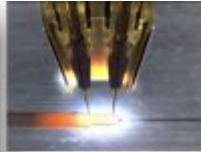
Pinion preloading



**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

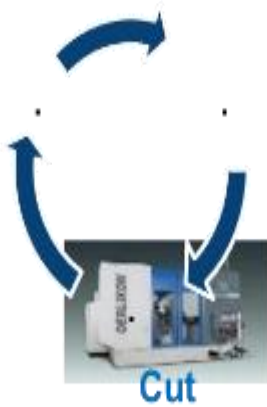


- Multi Spindles
- Simultaneous Machining
- Twin turret
- High Speed Cutting

## Gear



Inspect



Set



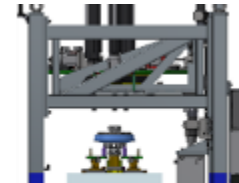
Cut

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

## Assembly



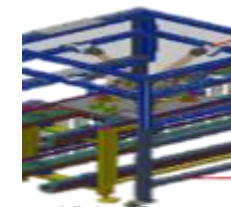
Robotic Painting



Auto Torqueing



Barcode/ RFID



Vision Camera



SCADA



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

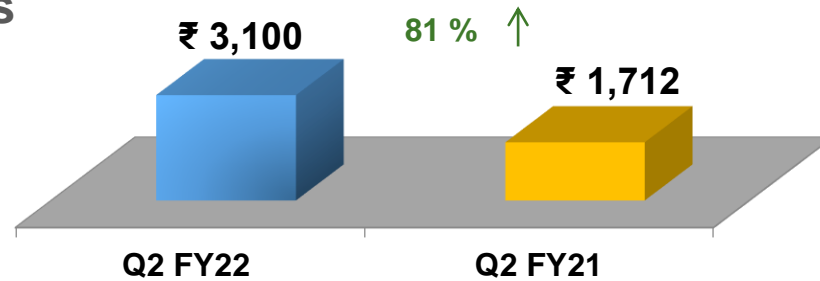


# FINANCIAL RESULTS:

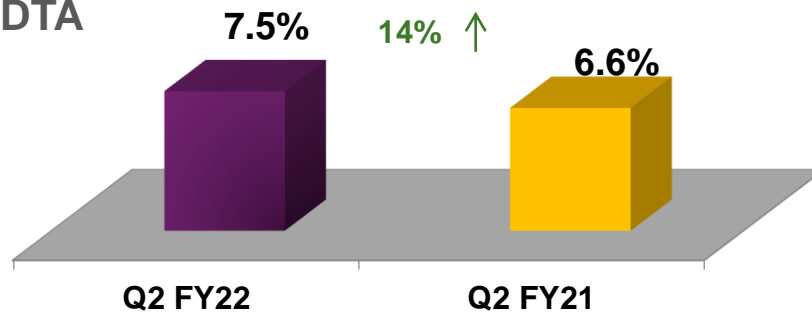
Values in INR Mn

## Q2 Performance

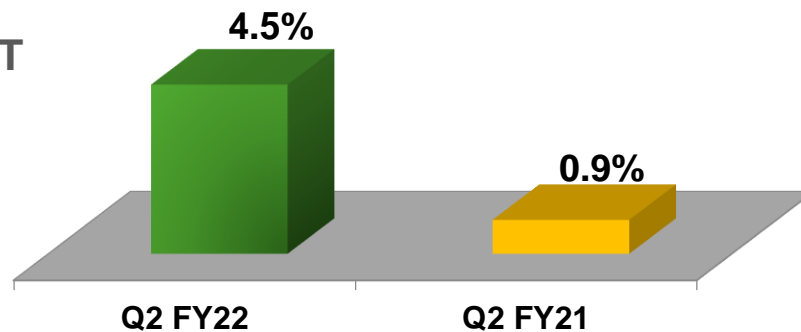
### Sales



### EBIDTA



### PBT



## Key Highlights

### Revenue:

- Q2 revenue has grown by 81% YOY

### EBITDA:

- EBITDA grown by 13% YOY Protect and grow EBITDA

### PBT:

- No working capital borrowing
- PBT cost remain at same level, with good absorption benefit.

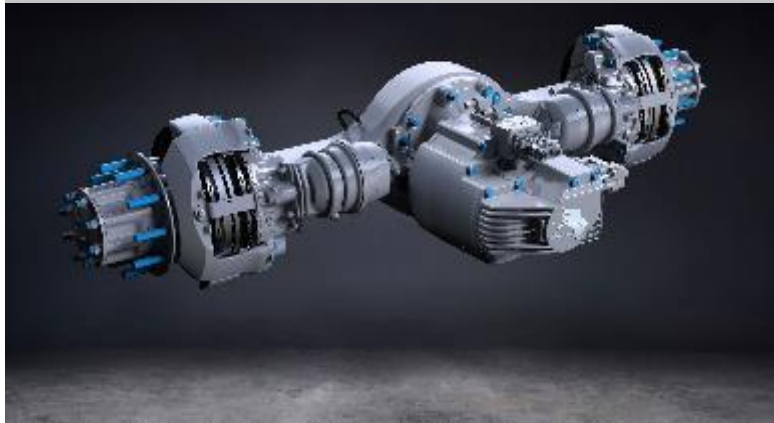
**Commodity price increases puts pressure on profitability (% to sales) in the current FY**

**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 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



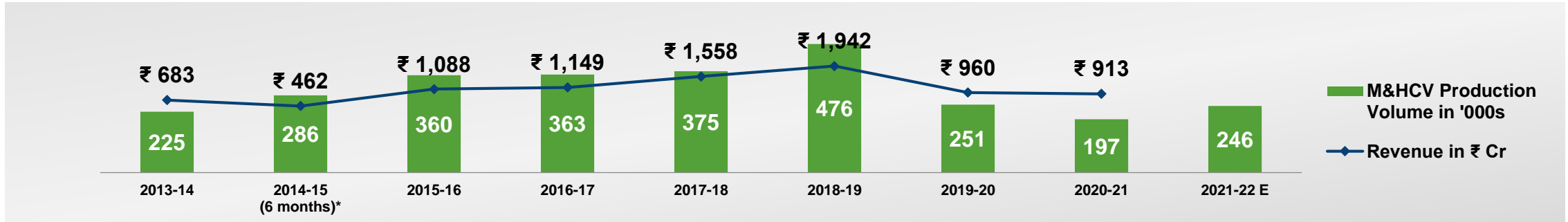
## Safety Practices

- 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.



# 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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