



MERITOR
RUN WITH THE BULL



KALYANI



AUTOMOTIVE AXLES LIMITED

May, 2021

SNAPSHOT FY21



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



Entry point



Oxygen points & Fire Alarm system are made



Oxygen points & Fire Alarm system are made

Launch 20 ~ 24th May

DIVERSE End Markets and Major Customers

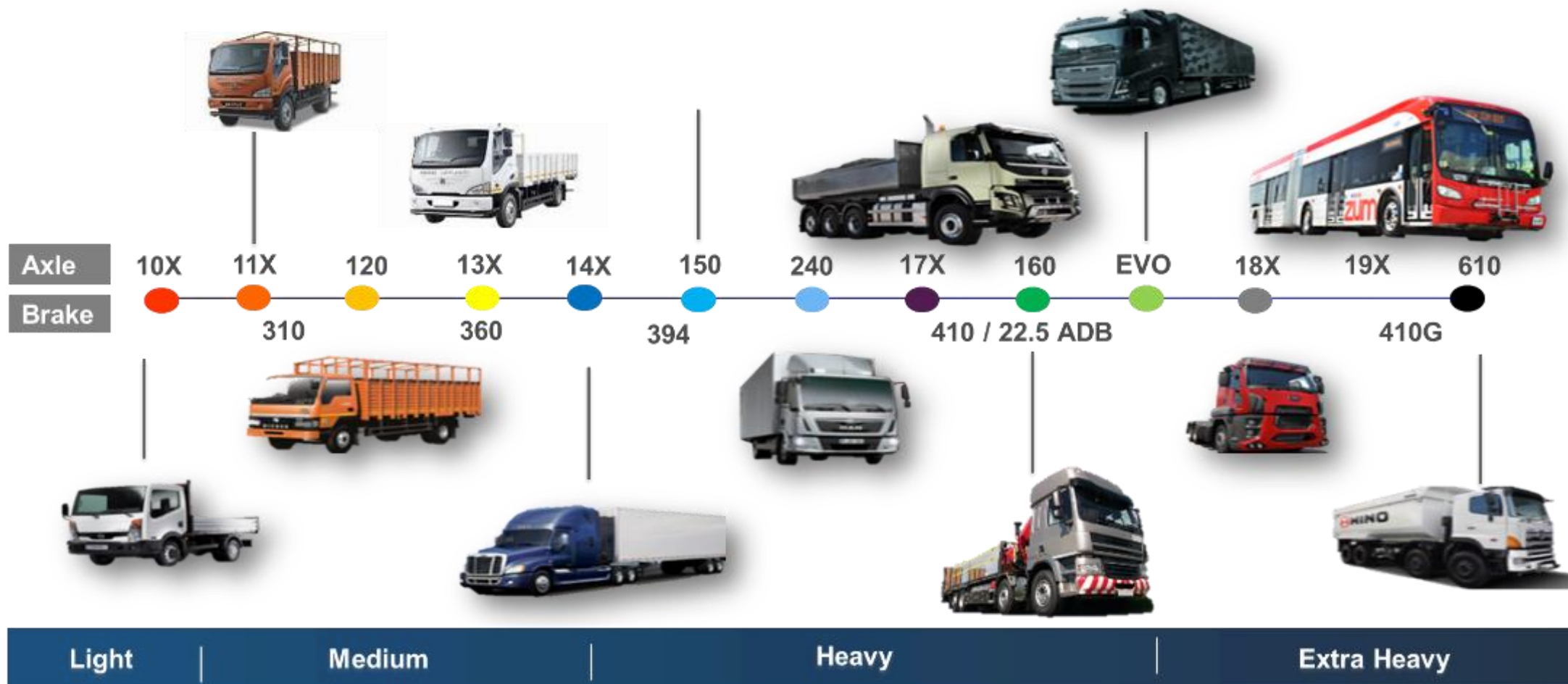
Diverse End Markets



Major Customers



MOST COMPREHENSIVE Axle & Brake Offerings



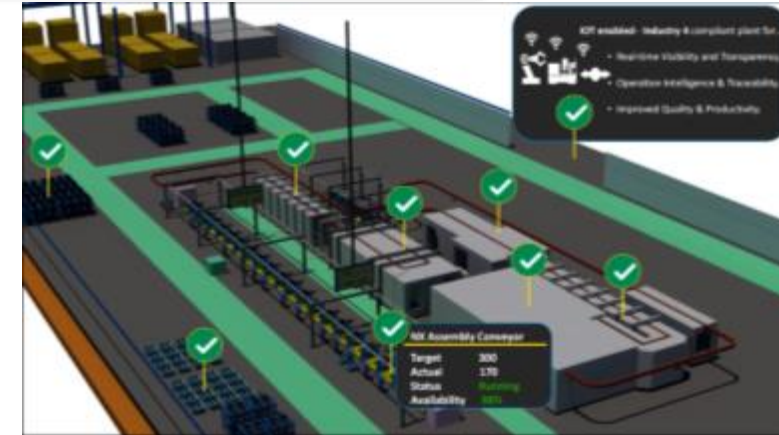
NEW AXLE ASSEMBLY PLANT ~ Industry V4.0 enabled

Axle Assembly Plant

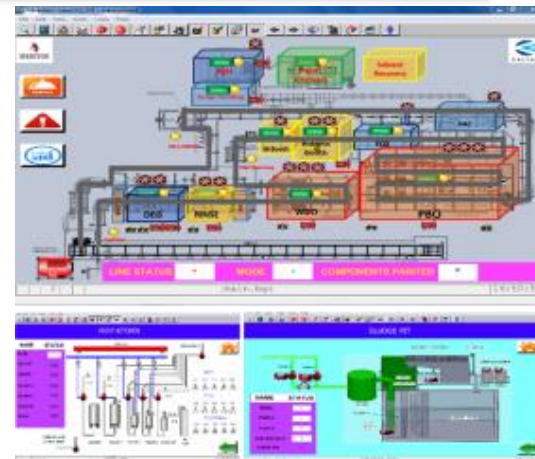


- Axle assembly plant with robotic paint shop & Industry 4.0 Enabled
- Total Area – 4734 Sqm
- Axle Assembly – 20K/ Month

Industry 4.0

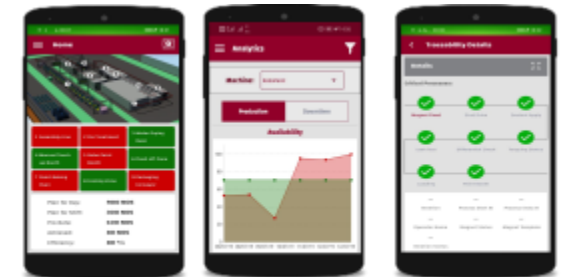


Traceability & Real Time Monitoring



SCADA Enabled

Digital MIS



Machine Wise Overview Real-time Analytics Product Traceability

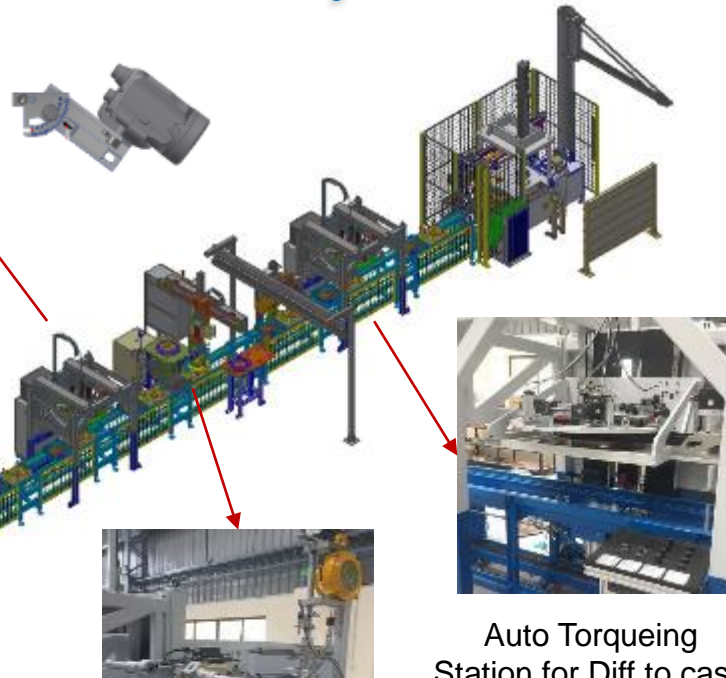
DIGITAL Assembly line



Diffcase Assly Line



Vision Camera for Thrust washer - Pokayoke



Assembly Conveyor



Rotation Checking Station

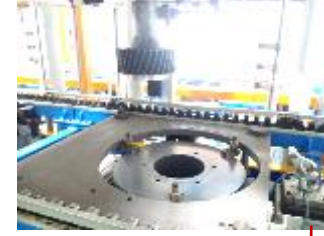


Auto Torquing Station for Diff to case & Gear to case

Pinion Assembly Line



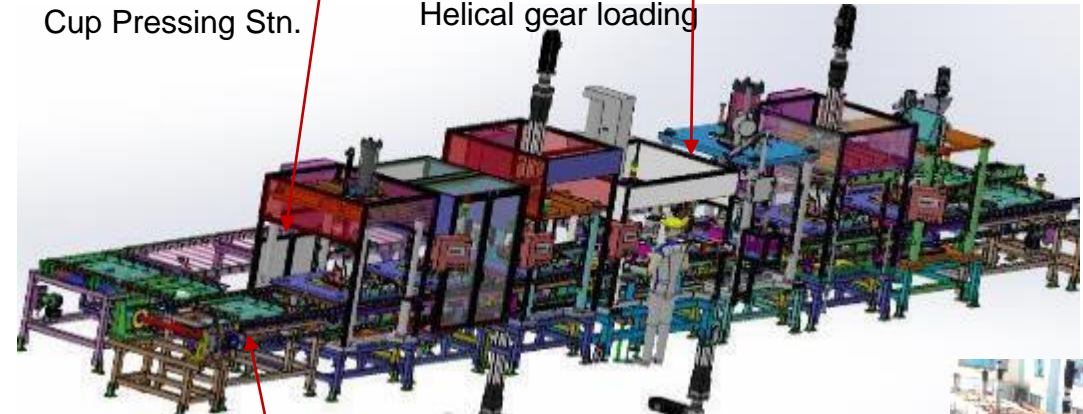
Cup Pressing Stn.



Helical gear loading



Pinion cone pressing



Assembly Conveyor



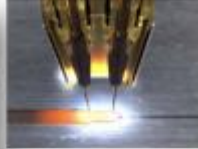
Pinion preloading



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



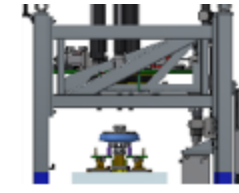
Cut

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

Assembly



Robotic Painting



Auto Torquing



Barcode/ RFID



SCADA



Vision Camera

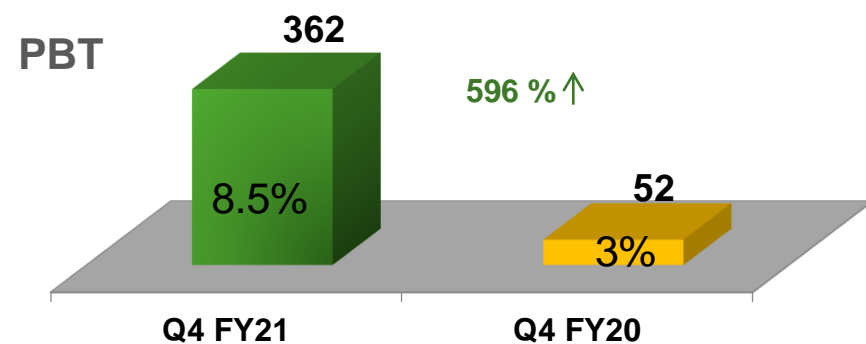
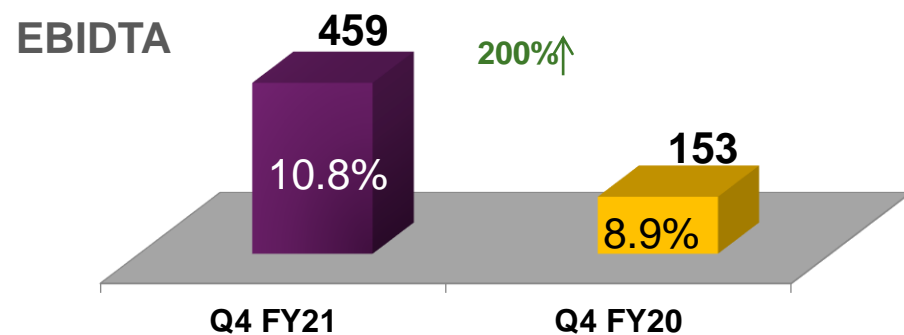
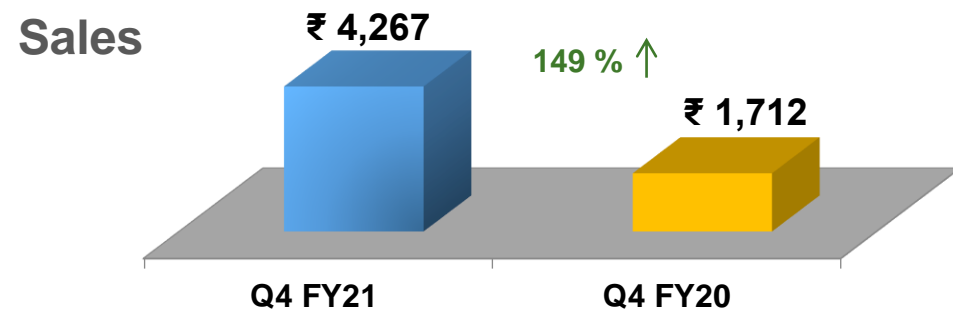


- Industry 4.0
- Poka Yoke
- Visualization
- Data acquisition
- Traceability

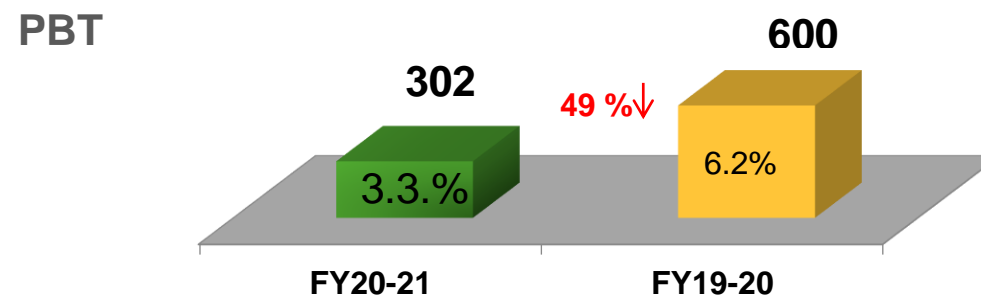
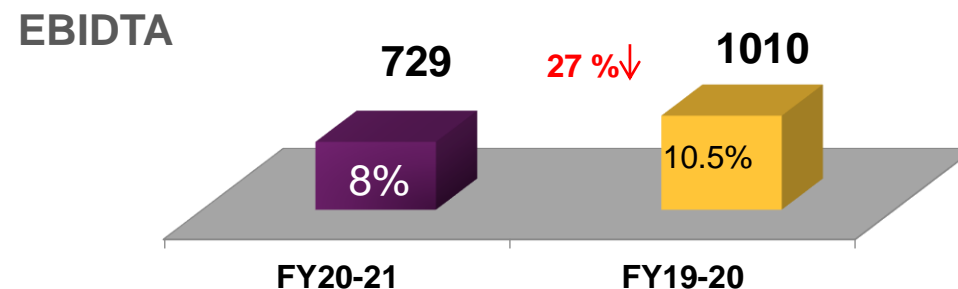
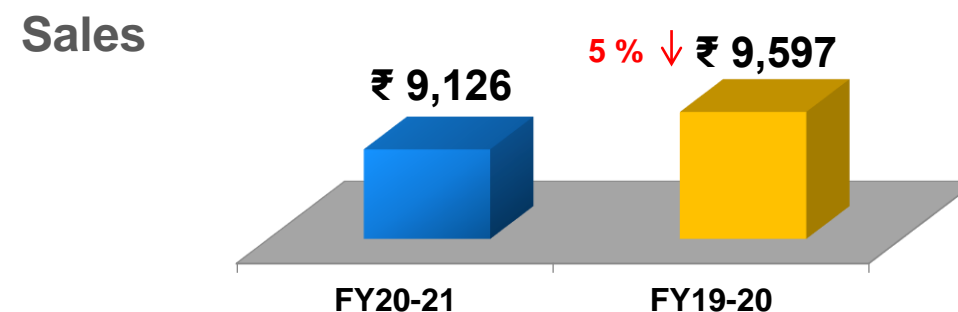
FINANCIAL RESULTS:

Values in INR Mn

Q4 Performance



Full Year Performance



Q4 Financial Highlights

Q4 FY2021 Results

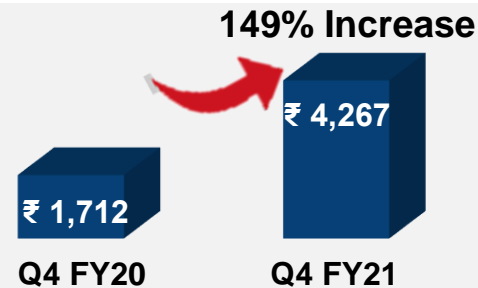
REVENUE
₹4267 Mn

EBITDA
₹459 Mn 10.8%

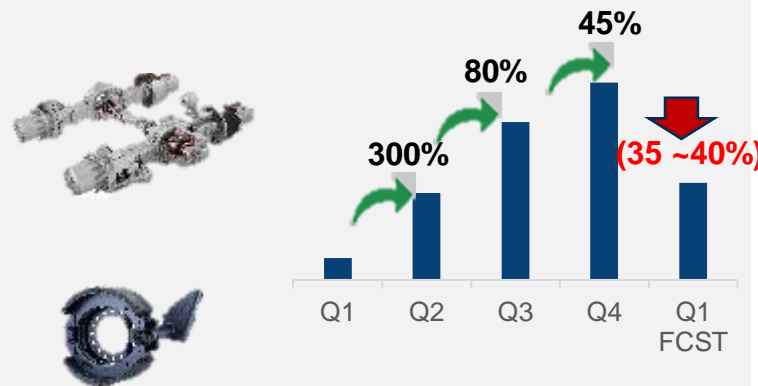
PBT
₹362 Mn 8.5%

Impact of Pandemic & Recovery Trend

Sales



Production Rate on Increasing 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

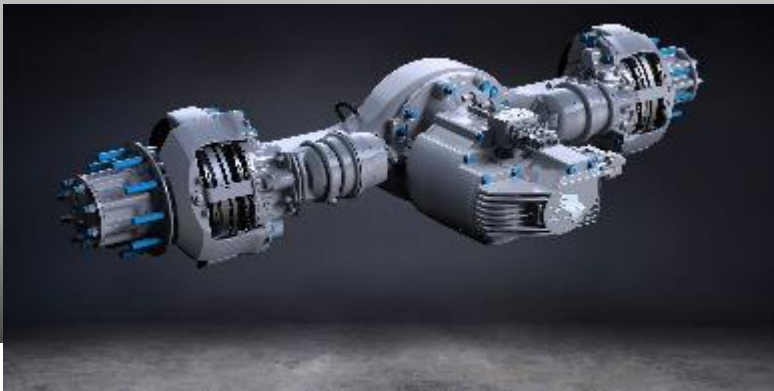
Continuous focus on Cost Control and Process Improvement

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

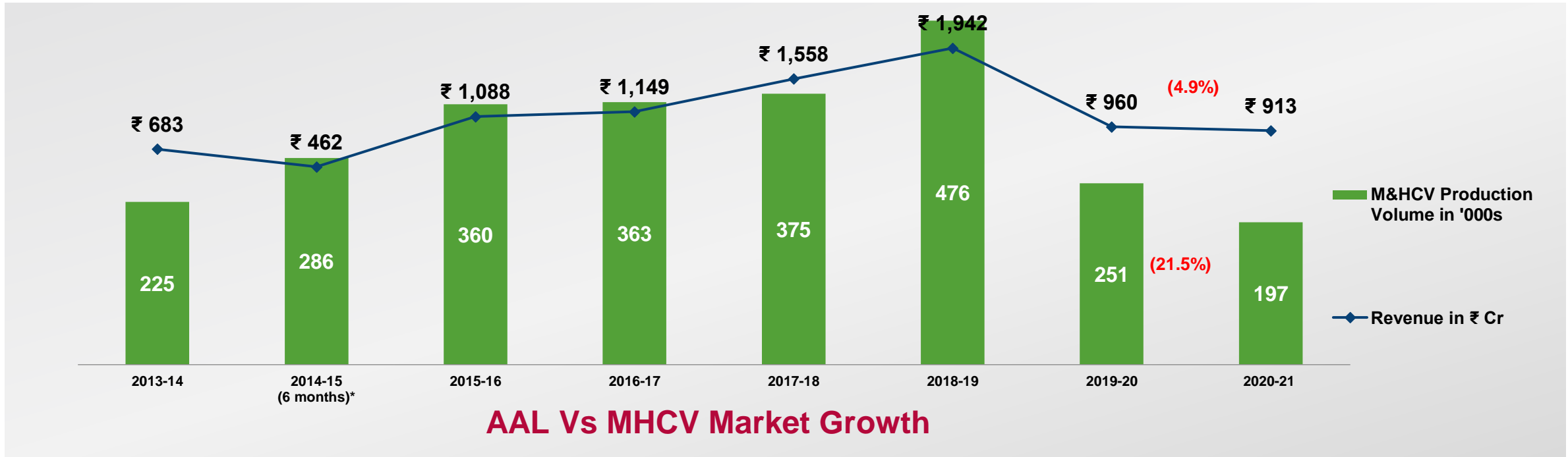


Safety Practices

- 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



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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