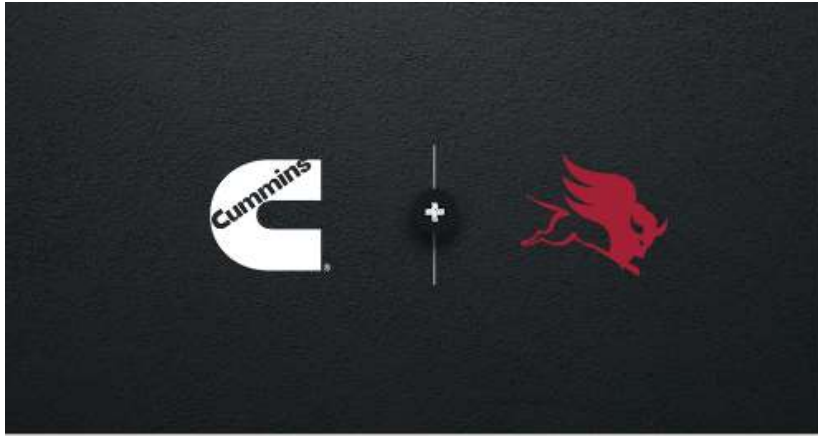




AUTOMOTIVE AXLES LIMITED

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

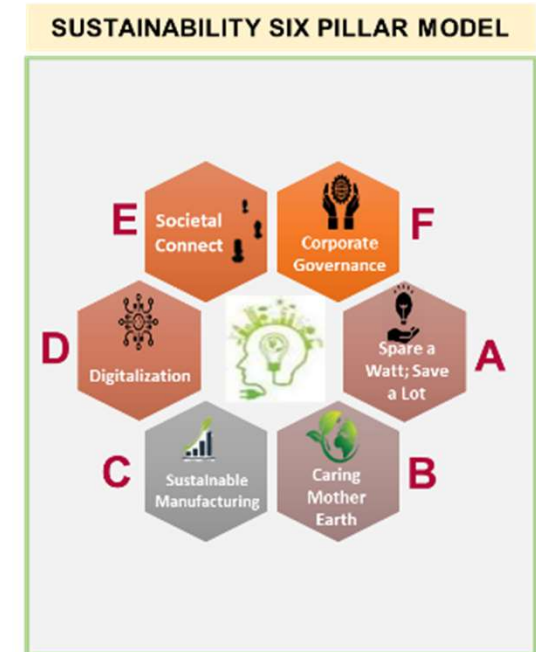


CIRCULAR ECONOMY



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

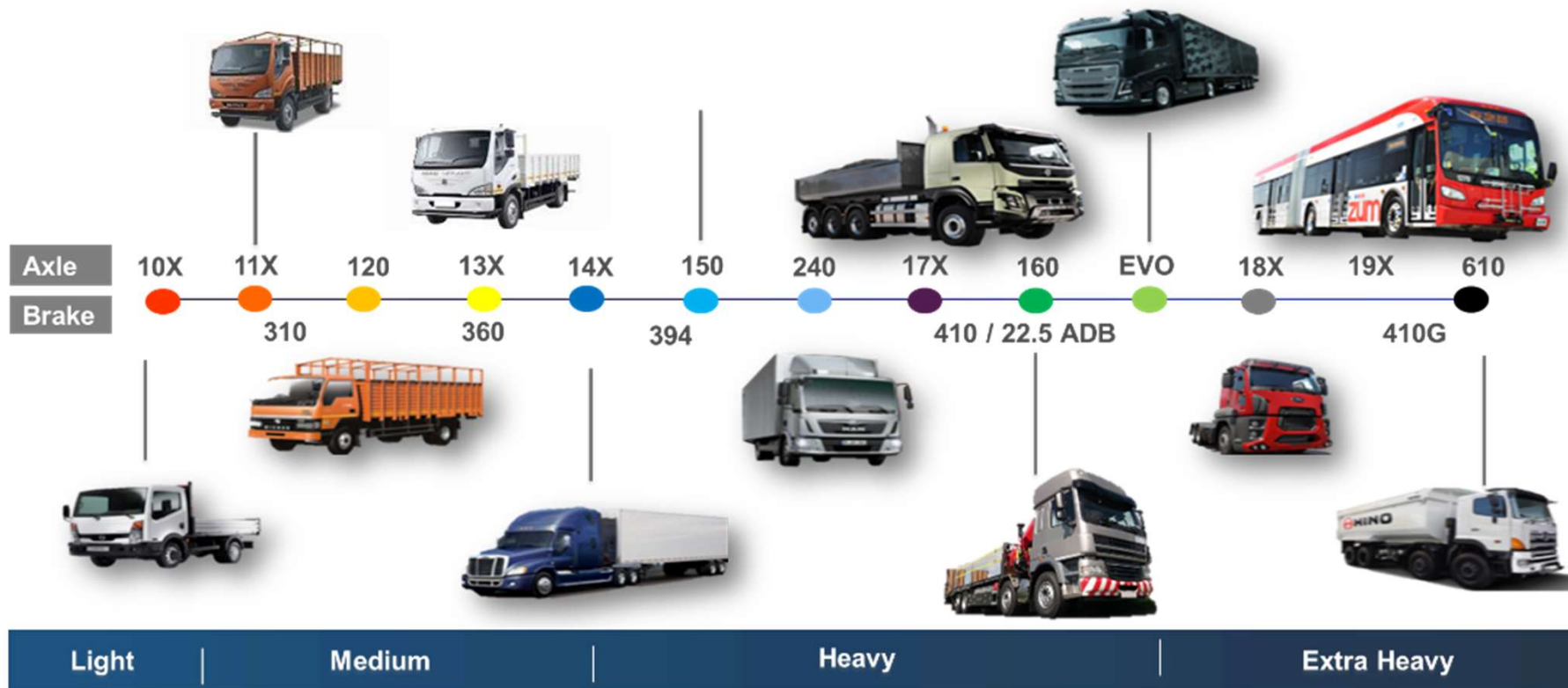


FY22 Gold Award in Cost Category

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

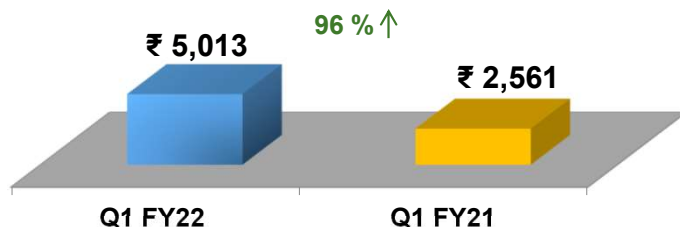


FINANCIAL Results

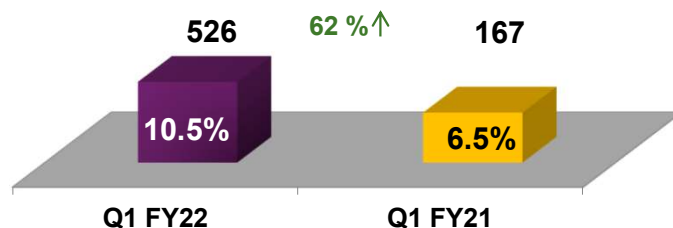
Values in INR Mn

Q1 FY23 Performance

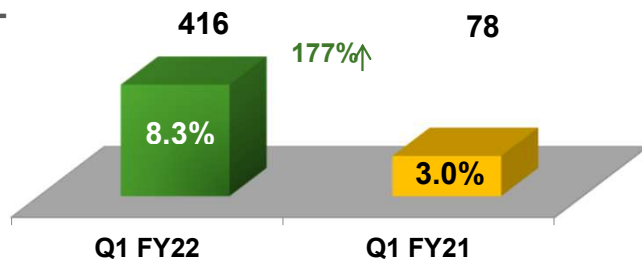
Sales



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 :

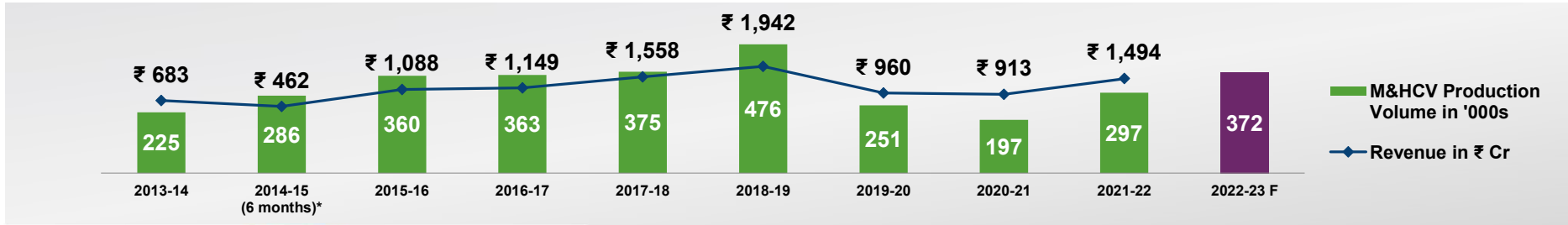
- No working capital borrowing

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





MERITOR
RUN WITH THE BULL