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# *ACMA- Financial Analysis* FY-21

*Strictly private  
and confidential*

*August 2021*



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# Contents

1	List of Companies	3
2	Financial Summary	5
3	Size based analysis	9
4	Segment analysis	14

## ***To navigate this report on-screen (in pdf format)***

From any page – click on the section title in the header navigation bar

From this Contents page – click on the title of the section or sub-section

From the contents listing on any section divider – click on the title of the sub-section

# *List of Companies*

## Classification of 70 Auto component companies

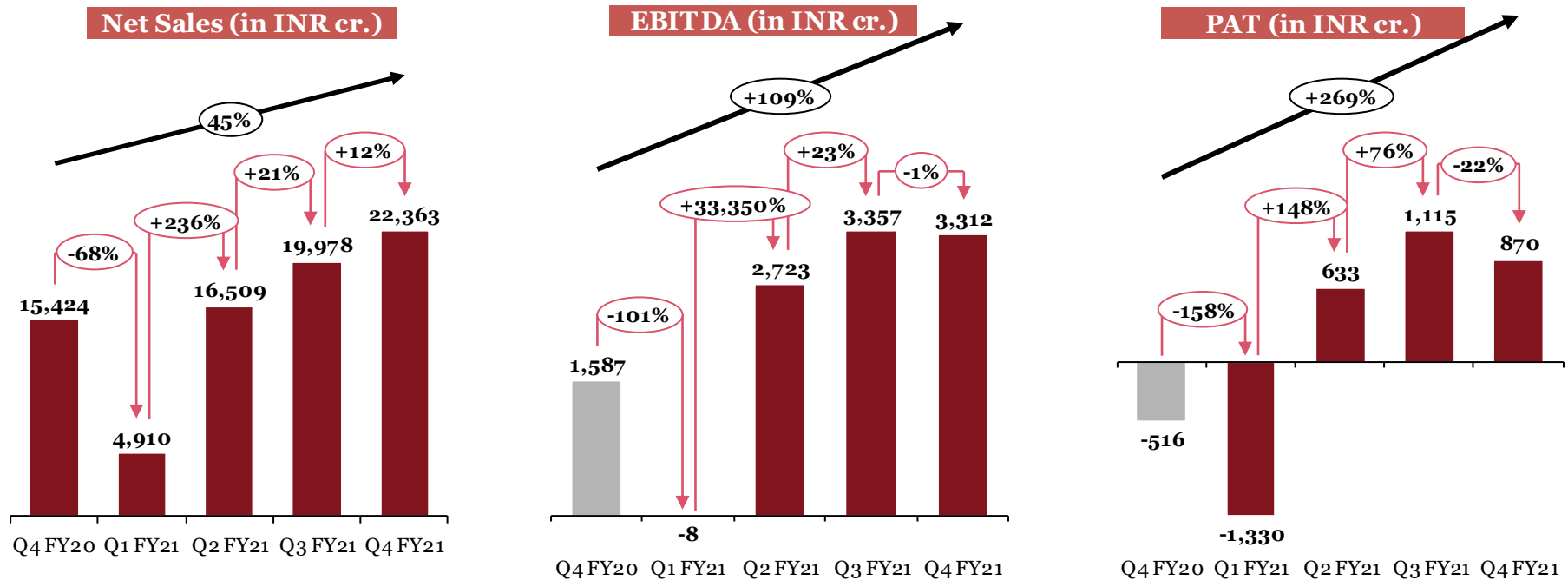
Size based classification				
Revenue Range	50 – 150 cr.	150 – 500 cr.	500 to 1000 cr.	>1000 cr.
Number of companies	10	24	9	27

Segment based classification		
Segment	#companies	List of companies
<b>Transmission</b>	13	Automotive Axles, Bharat Gears, Endurance Tech., JMT Auto, JTEKT India, LG Balakrishnan, RACL Geartech, Rane (Madras), Setco Automotive, Shivam Autotech, Suprajit Engg., The Hi-Tech Gear, ZF Steering
<b>Engine</b>	22	Alicon Cast., Banco Products, Bimetal Bearings, Federal-Mogul Go, IP Rings, Kalyani Forge, Menon Bearings, Menon Pistons, Munjal Auto Inds, Pradeep Metals, Precision Camshf, Ramkrishna Forg., Rane Engine Val., Rico Auto Inds, Samkrp Pistons, Sharda Motor, Shriram Pistons, Sundaram Clayton, Sundram Fasten., Talbros Auto., Triton Valves, Ucal Fuel Sys.
<b>Suspension</b>	14	Enkei Wheels, G S Auto Intl., Gabriel India, GNA Axles, Hind.Composites, Jamna Auto Inds., Munjal Showa, Rane Brake Lin., Simm. Marshall, Steel Str. Wheel, Sundaram Brake, Talbros Engg., WABCO India, Wheels India
<b>Electrical and Electronics</b>	10	Bhagwati Auto, Fiem Inds., India Nipp.Elec., Lumax Auto Tech., Lumax Inds., Minda Corp, Minda Inds., Motherson Sumi, Pricol Ltd, Subros
<b>Interior</b>	3	Bharat Seats, Harita Seating, SAL Automotive
<b>Body and Chassis</b>	8	Auto.Corp.of Goa, Autoline Inds., Automotive Stamp, Jay Bharat Mar., Jay Ushin, Omax Autos, PPAP Automotive, Rasandik Engg.

*Tyre and battery companies are excluded in this report. Companies having less than INR 50 cr. annual revenue have been excluded from the scope of this study. The data for the following analysis is sourced from Capitaline.*

# *Financial Summary*

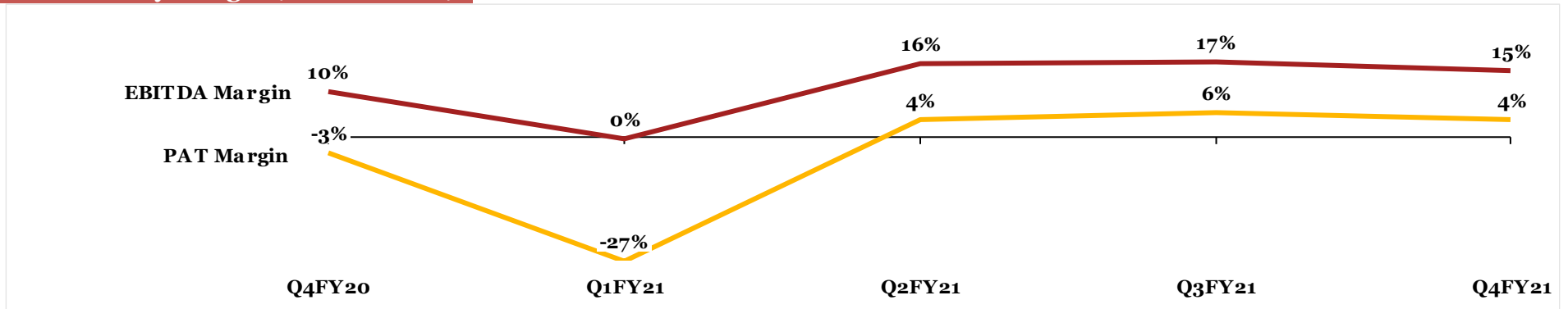
## Aggregate financial analysis (70 in-scope companies)



- This quarter includes the months of Jan'21, Feb'21 and Mar'21 during which there was a rise in COVID-19 cases following the complete opening of the economy during Q3 FY21.
- Net sales showed a slight increase, whereas PAT experienced a step decline and EBITDA remained largely unaffected. This was due to a due to a rise in input costs due to supply disruptions of raw materials.

## Trends in profitability (as % of Net sales)

### Profitability margin (% of net sales)



### EBITDA margin distribution of in-scope companies

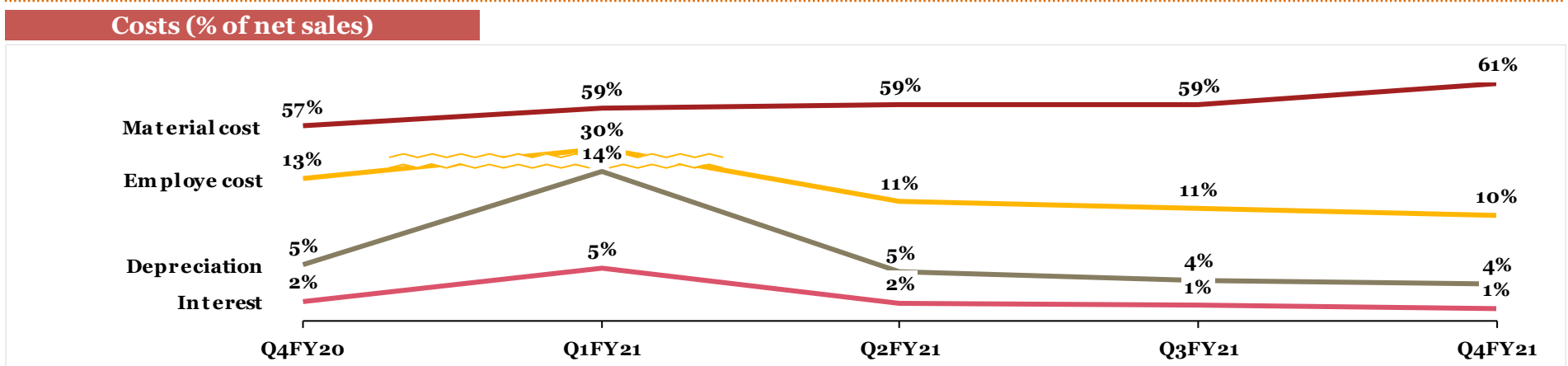
Range	Q4 FY 20 Number of companies	Q4 FY 21 Number of companies
Less than 0%	7	4
0-10%	13	10
10-20%	38	36
more than 20%	12	20

### PAT margin distribution of in-scope companies

Range	Q4 FY 20 Number of companies	Q4 FY 21 Number of companies
less than 0%	35	18
0-5%	23	25
5-10%	12	24
more than 10%	0	3

- EBITDA and PAT slipped to levels slightly below those of Q3 FY 21, as rising input costs due to supply shortages negated the recovery in sales and cost cutting measures employed by firms.
- A lockdown in China during March halted vehicle production due to supply disruptions.

## Trends in costs (as % of Net sales)



**Material cost/net sales distribution of in-scope companies**

Range	Q4 FY 20 #companies	Q4 FY 21 #companies
20-50%	28	22
50-70%	30	32
more than 70%	12	16

**Employee cost/net sales distribution of in-scope companies**

Range	Q4 FY 20 #companies	Q4 FY 21 #companies
0-10%	23	28
10-20%	40	38
more than 20%	7	4

**Interest/net sales distribution of in-scope companies**

Range	Q4 FY 20 #companies	Q4 FY 21 #companies
0-2%	41	49
2-5%	22	14
more than 5%	7	6

**Depreciation/net sales distribution of in-scope companies**

Range	Q4 FY 20 #companies	Q4 FY 21 #companies
0-2%	7	8
2-5%	45	47
more than 5%	18	15

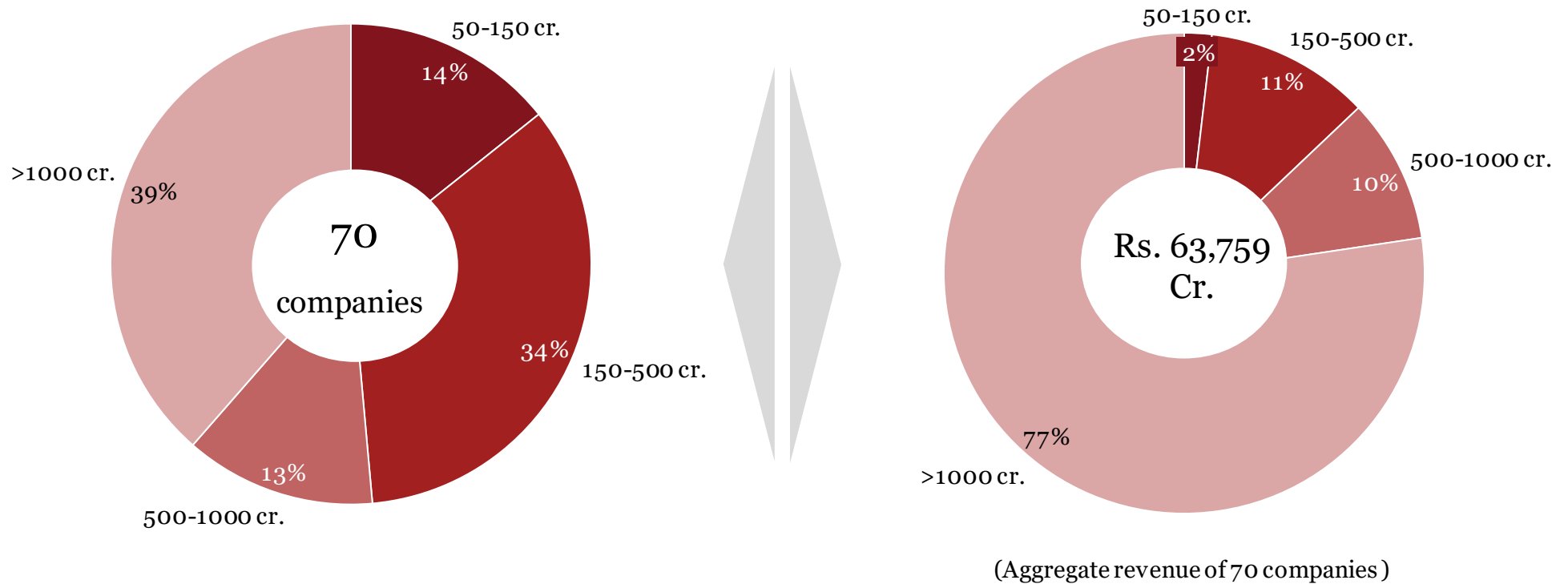
➤ Material costs rose, especially those of base metals, as supply disruptions and ever-increasing demand on the back of worldwide economic recovery pushed prices upwards.



# *Size based analysis*

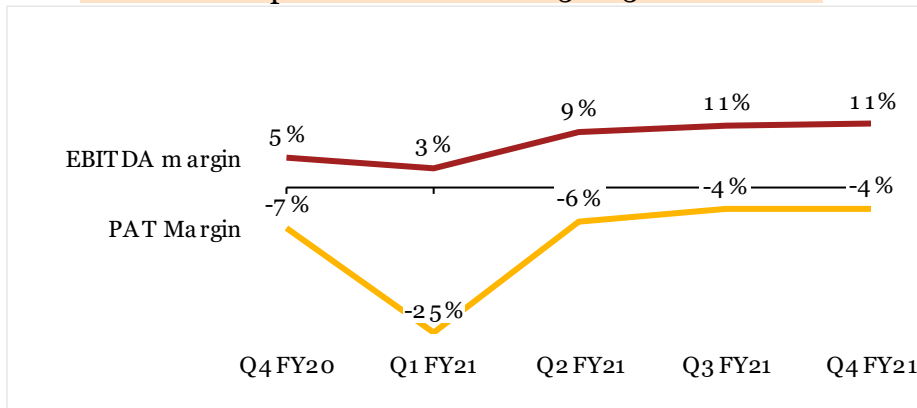
## Revenue based classification

Revenue based classification				
Revenue Range	50 – 150 cr.	150 – 500 cr.	500-1000 cr.	>1000 cr.
Number of companies	10	24	9	27

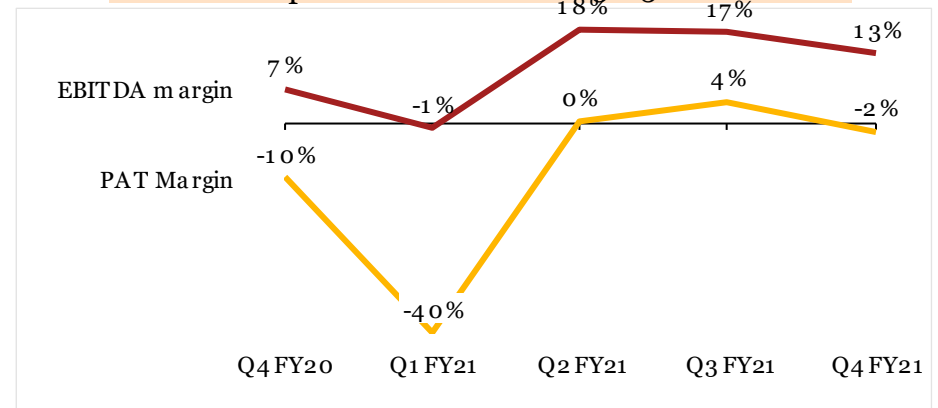


## Trends in profitability (as % of Net sales)

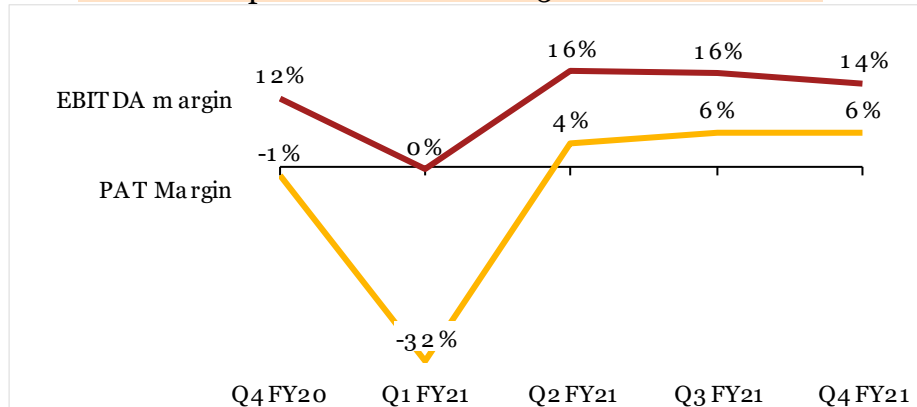
Companies with revenue 50-150 cr.



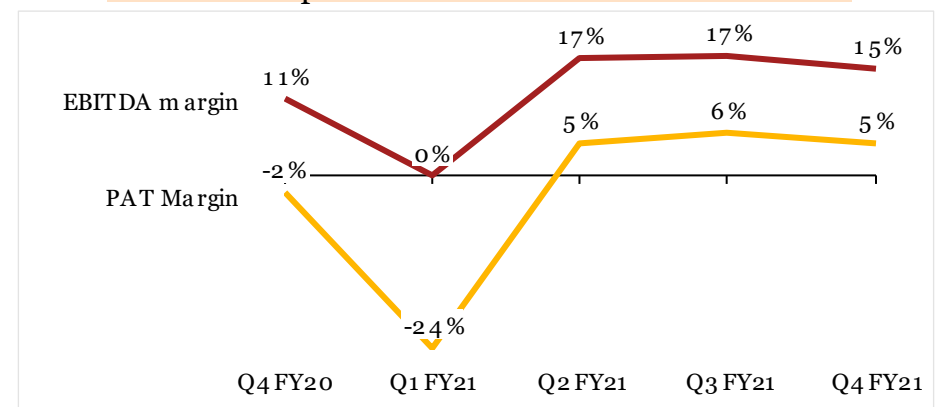
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

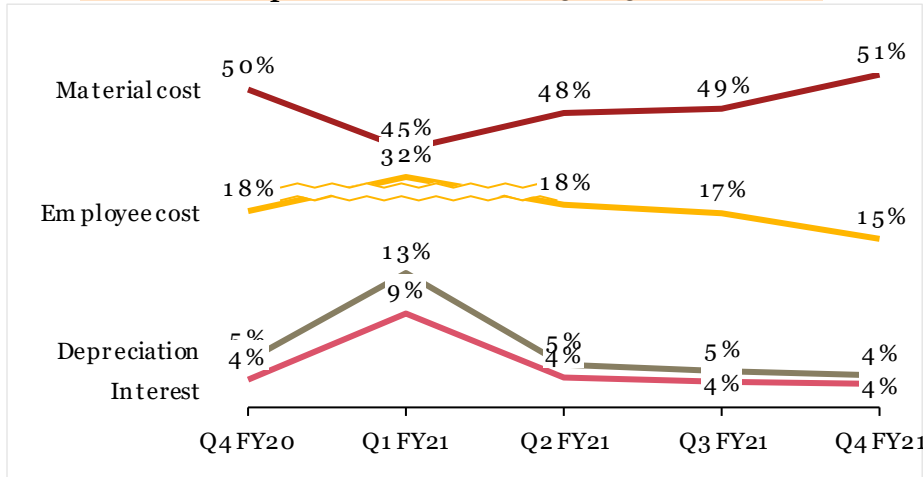


Companies with revenue >1000 cr.

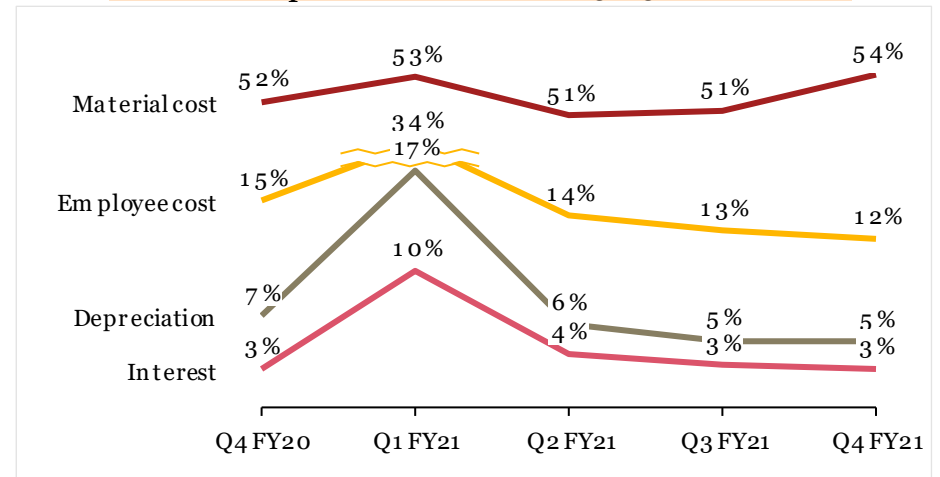


## Trends in costs (as % of Net sales)

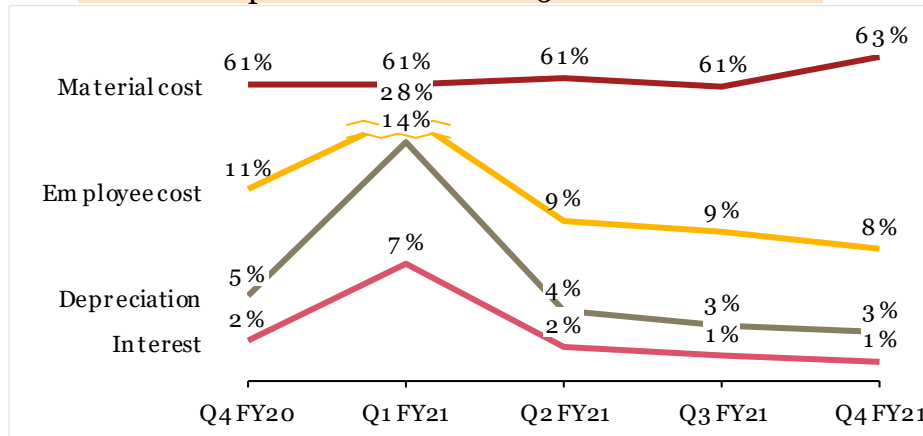
Companies with revenue 50-150 cr.



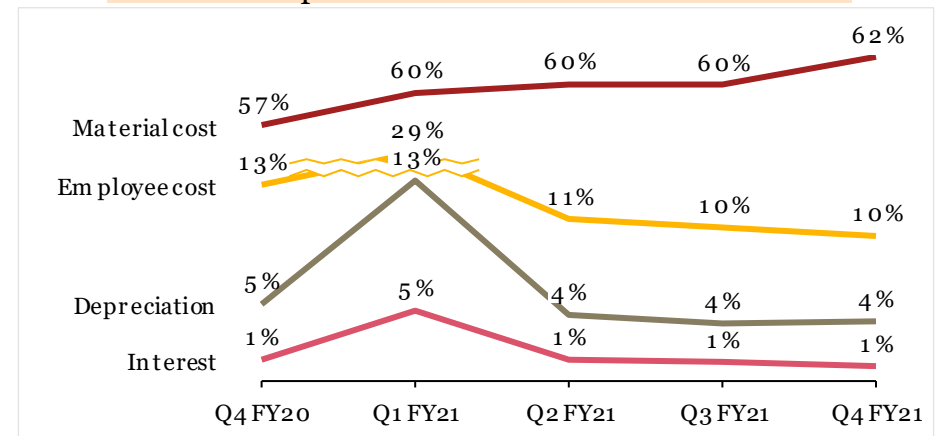
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

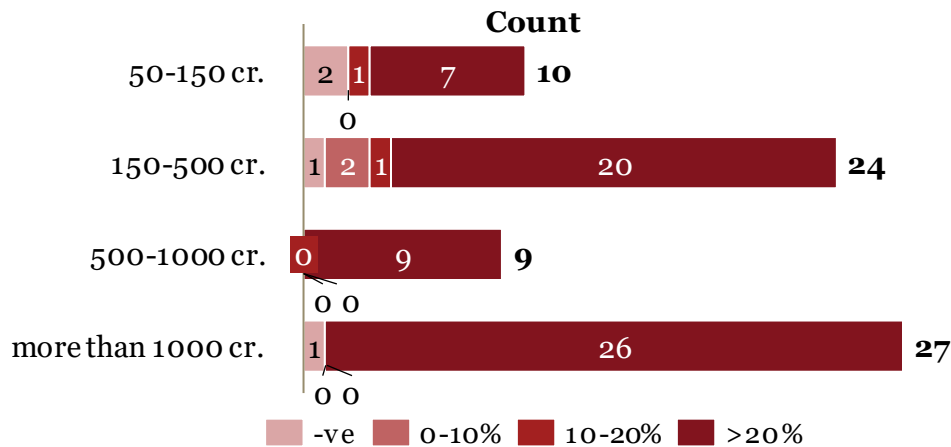


Companies with revenue >1000 cr.

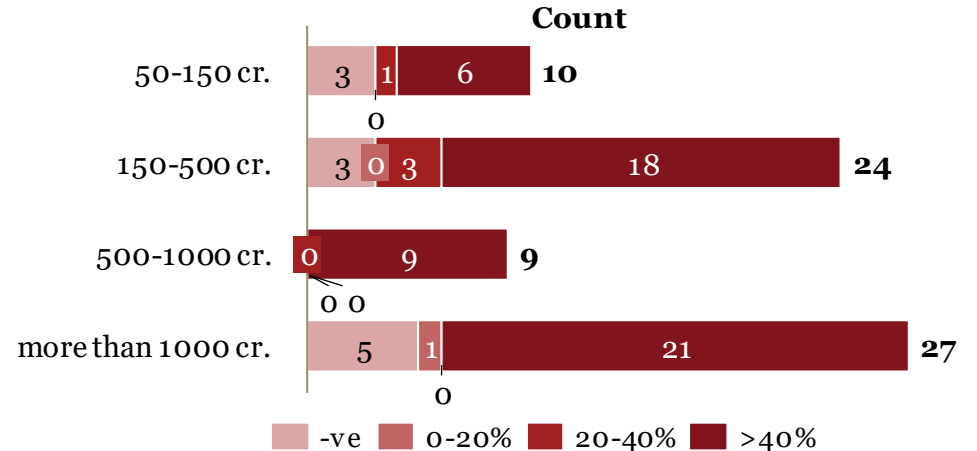


## Count of companies per growth % range : by revenue segment Q4 FY21 vs. Q4 FY20

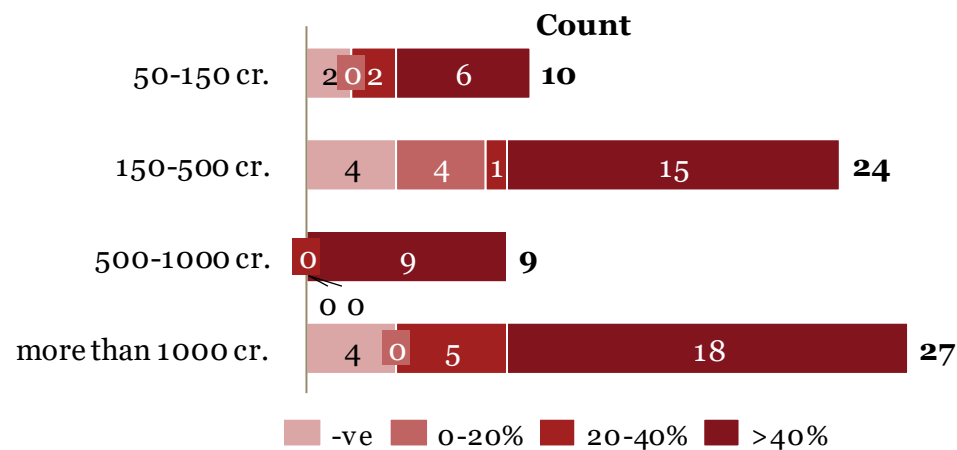
**Count of companies by Y-o-Y Net Sales growth %**



**Count of companies by Y-o-Y PAT growth %**



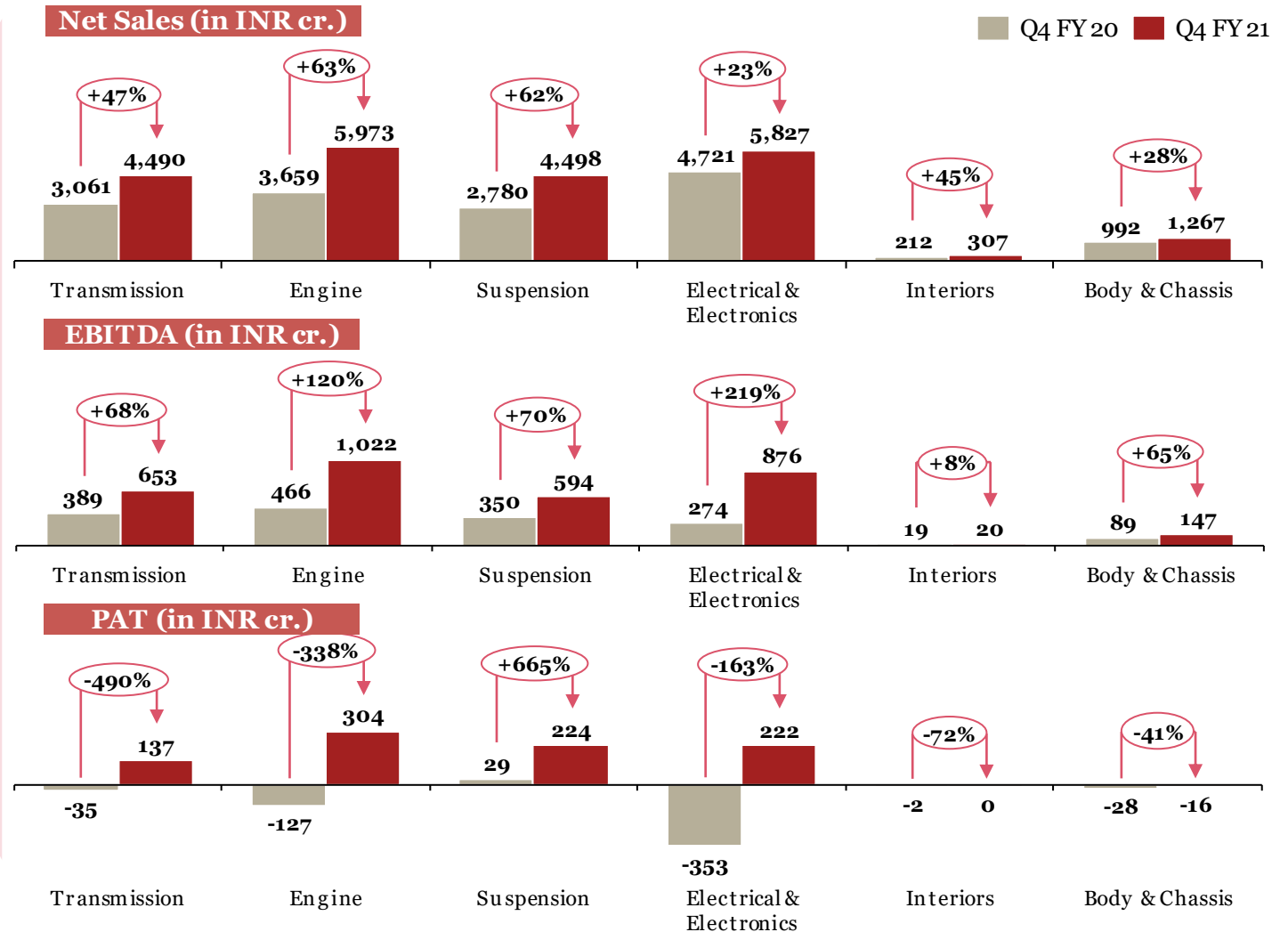
**Count of companies by Y-o-Y EBITDA growth %**



# *Segment analysis*

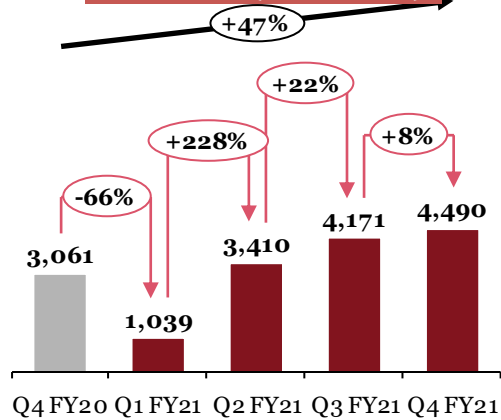
## Segment-wise analysis of in-scope companies: Q4 FY21 vs. Q4 FY20

Segment	# companies
Transmission	13
Engine	22
Suspension	14
Electrical and Electronics	10
Interior	3
Body and Chassis	8

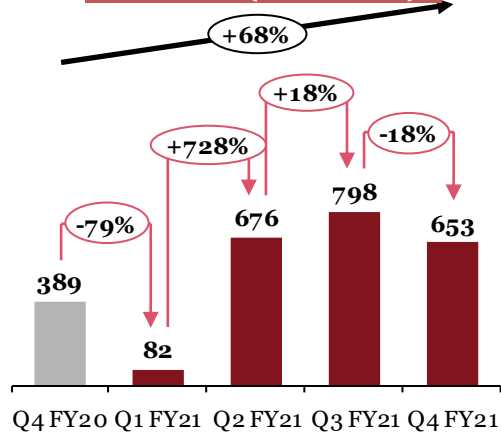


## Transmission segment (13 companies)

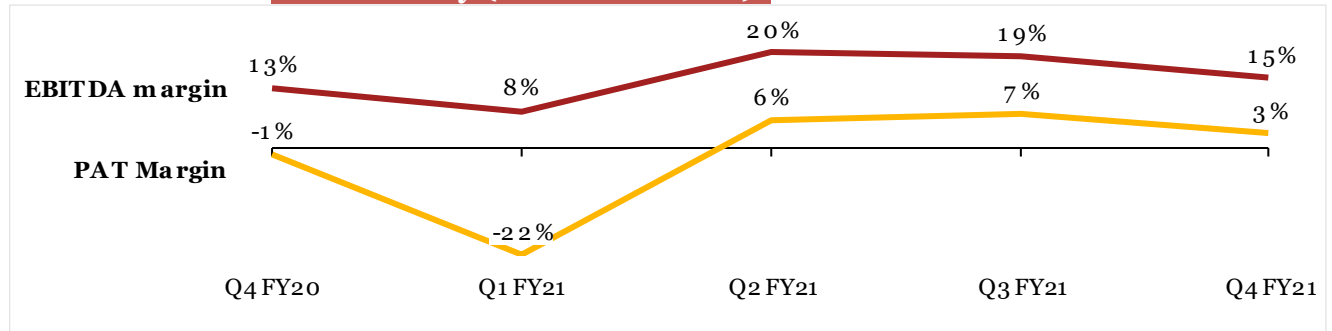
**Net Sales (in INR cr.)**



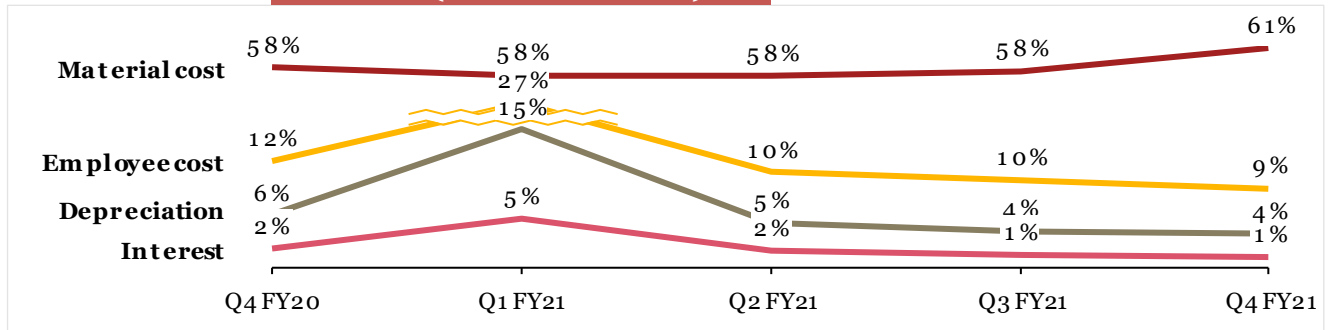
**EBITDA (in INR cr.)**



**Profitability (as % of Net sales)**



**Costs (as % of Net sales)**



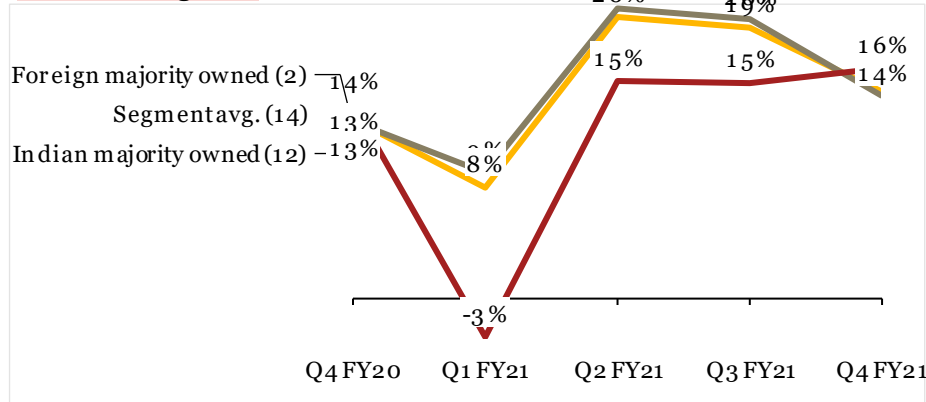
- Net Sales rose marginally, as EBITDA fell by quite an extent due to higher input costs, thus prompting manufacturers to raise prices.
- Most companies focused on cost improvement and continued to cut fixed costs.



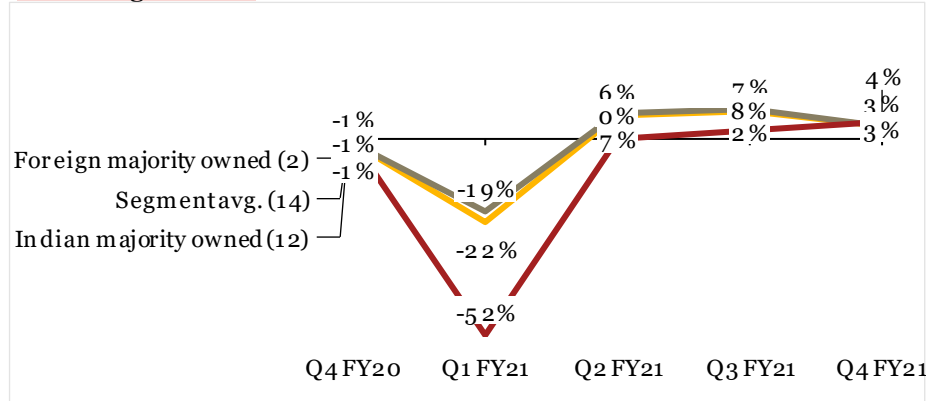
# Transmission segment (Indian majority vs. Foreign majority owned)

## Profitability (as % of Net sales)

### EBITDA Margin

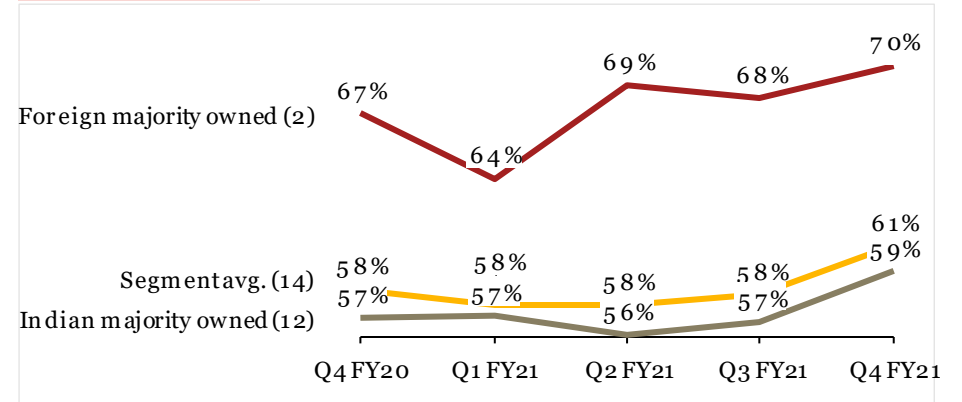


### PAT Margin

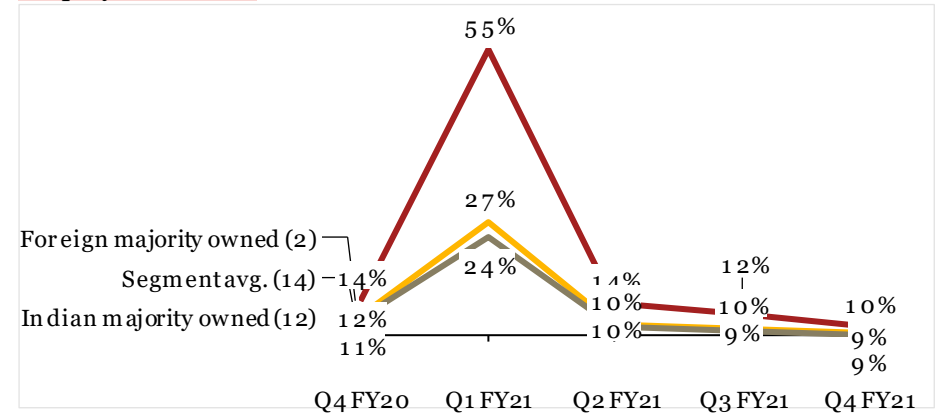


## Costs (as % of Net sales)

### Material cost

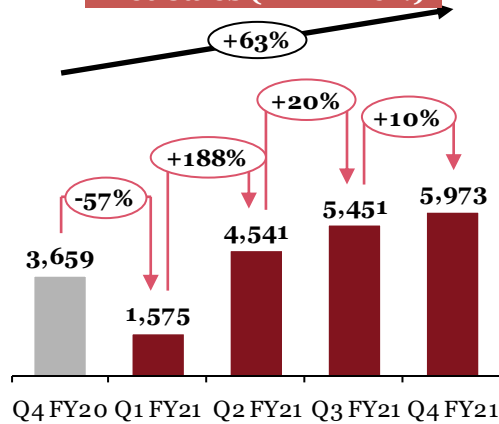


### Employee cost

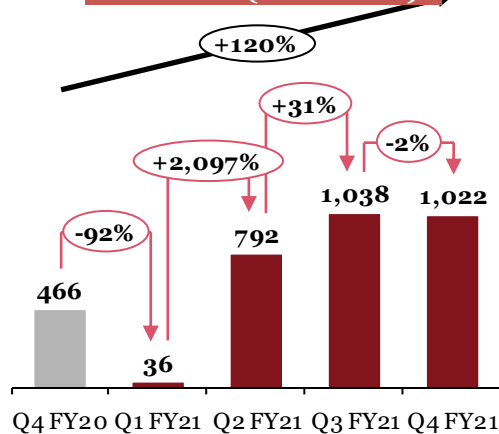


## Engine segment (22 companies)

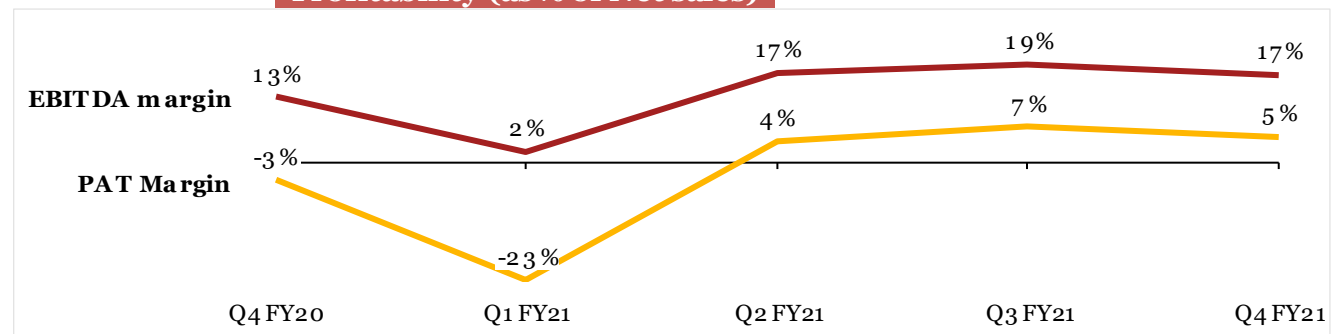
Net Sales (in INR cr.)



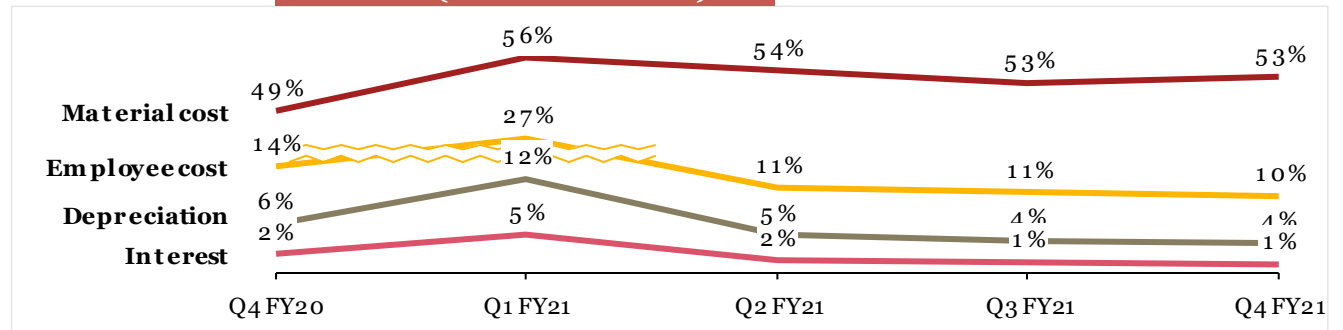
EBITDA (in INR cr.)



Profitability (as % of Net sales)



Costs (as % of Net sales)

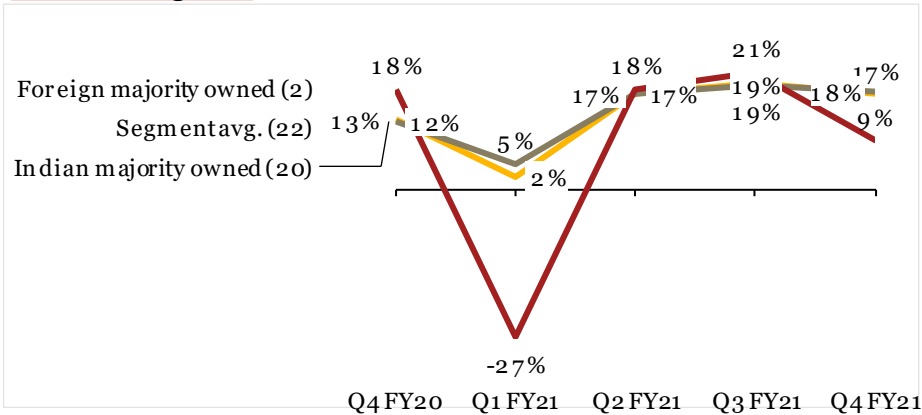


- Net sales growth experienced a slowdown, whereas EBITDA dropped marginally from the previous quarter due to a sustained rise in raw material cost.
- Higher raw material prices have slowed down profitability, thus negating the effective cost-cutting measures employed by firms in the previous quarter.

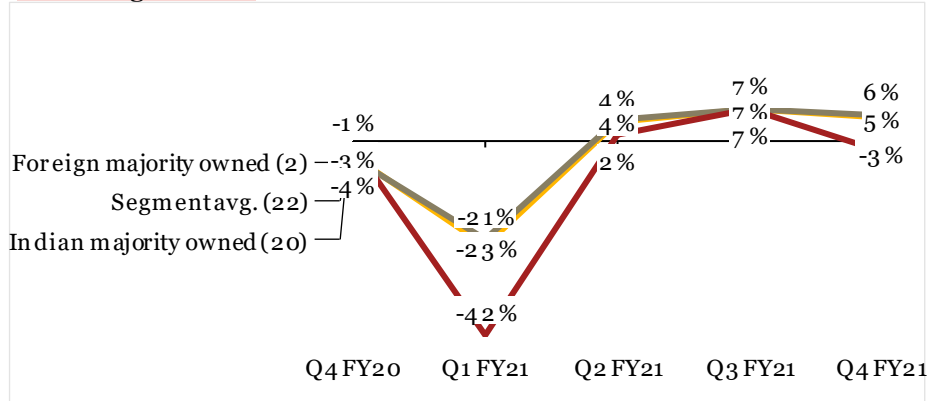
## Engine segment (Indian majority vs. Foreign majority owned)

### Profitability (as % of Net sales)

#### EBITDA Margin

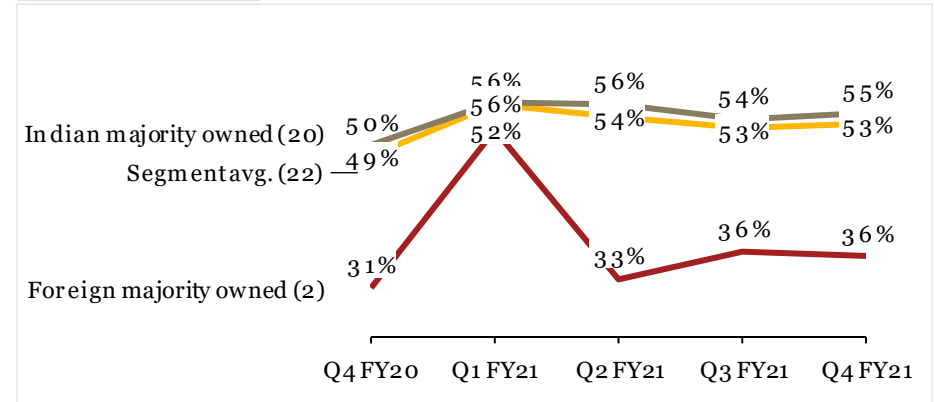


#### PAT Margin

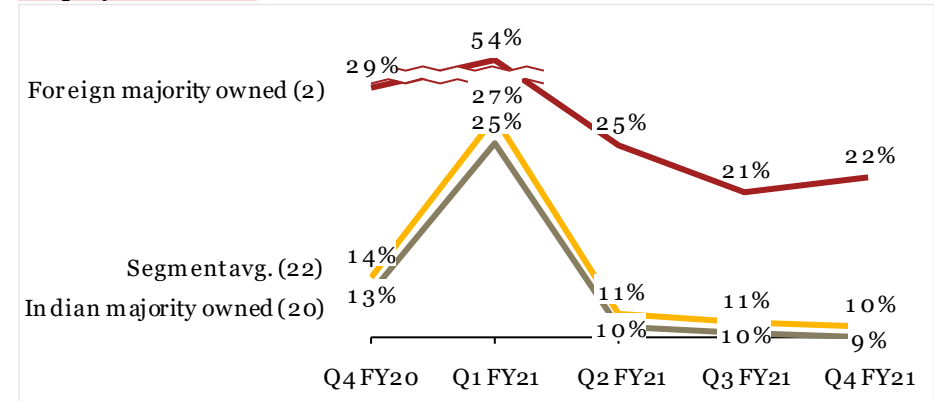


### Costs (as % of Net sales)

#### Material cost

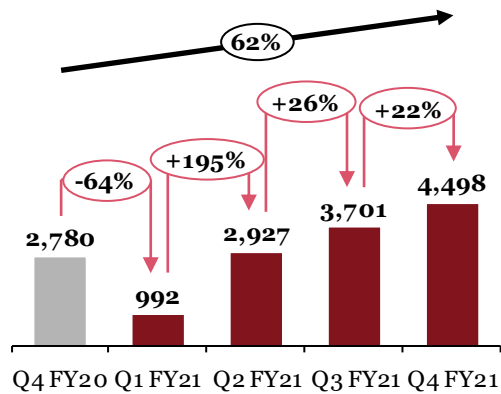


#### Employee cost

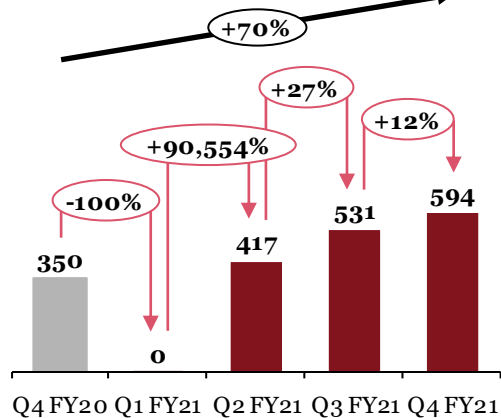


## Suspension segment (14 companies)

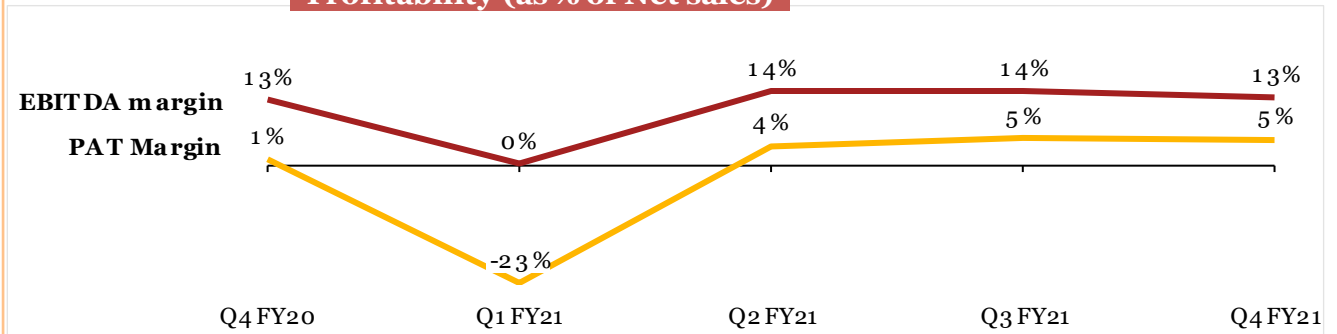
Net Sales (in INR cr.)



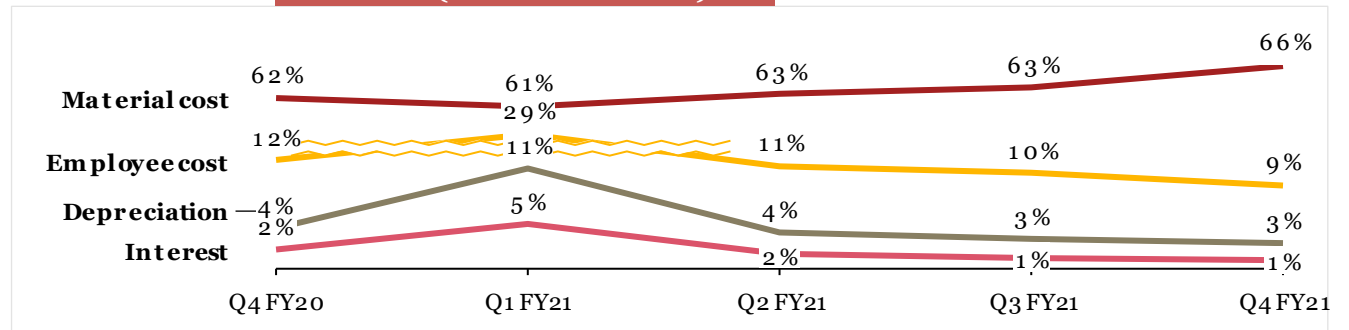
EBITDA (in INR cr.)



Profitability (as % of Net sales)



Costs (as % of Net sales)

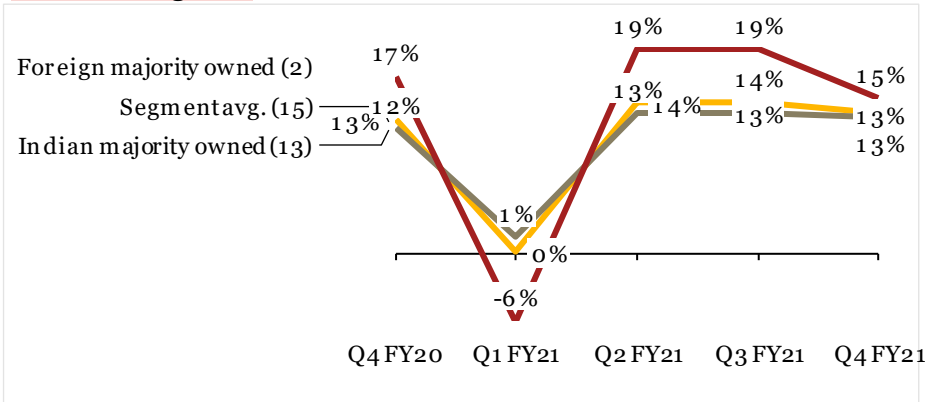


- The Suspension segment saw net sales continue to soar over pre-COVID levels on the back of high volume of sales across the commercial vehicle segment.
- Despite rising raw material costs, cost cutting measures implemented by firms were successful in ensuring that the great performance during the previous quarter is sustained.

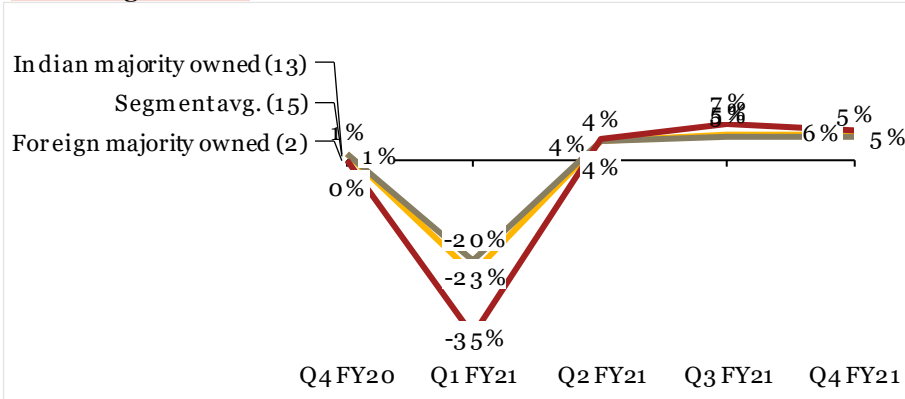
## Suspension segment (Indian majority vs. Foreign majority owned)

### Profitability (as % of Net sales)

#### EBITDA Margin

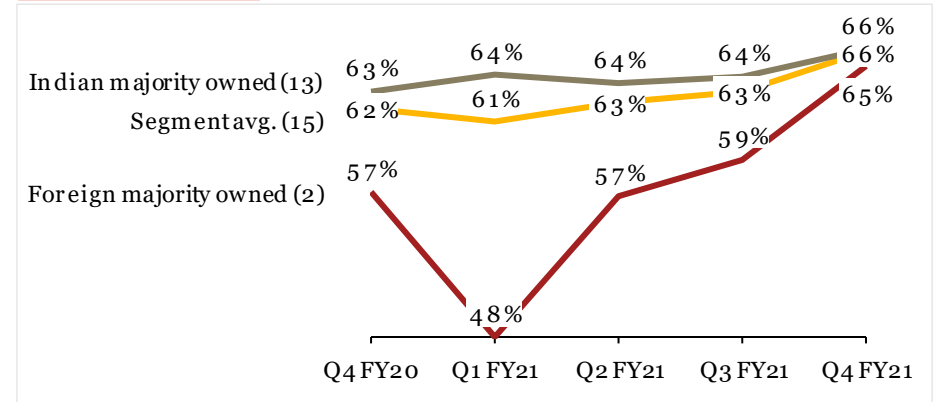


#### PAT Margin

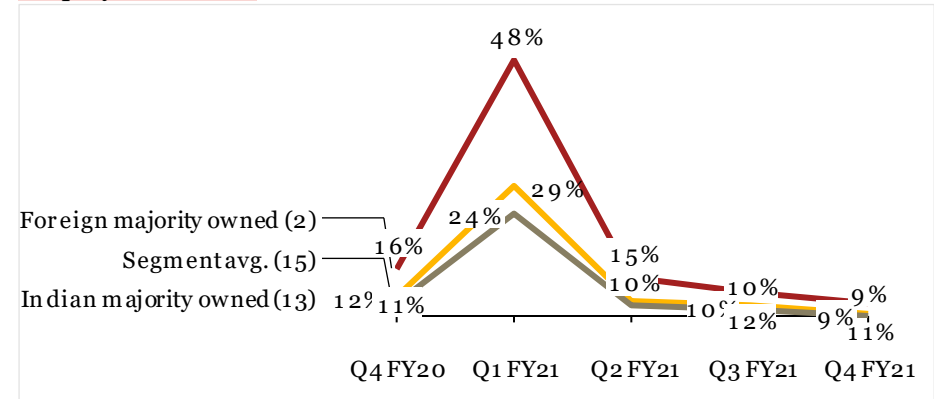


### Costs (as % of Net sales)

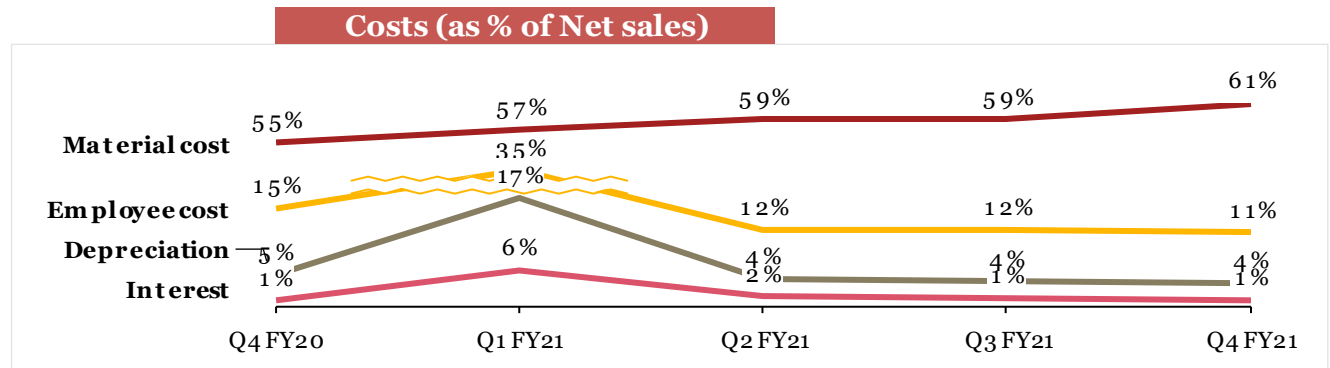
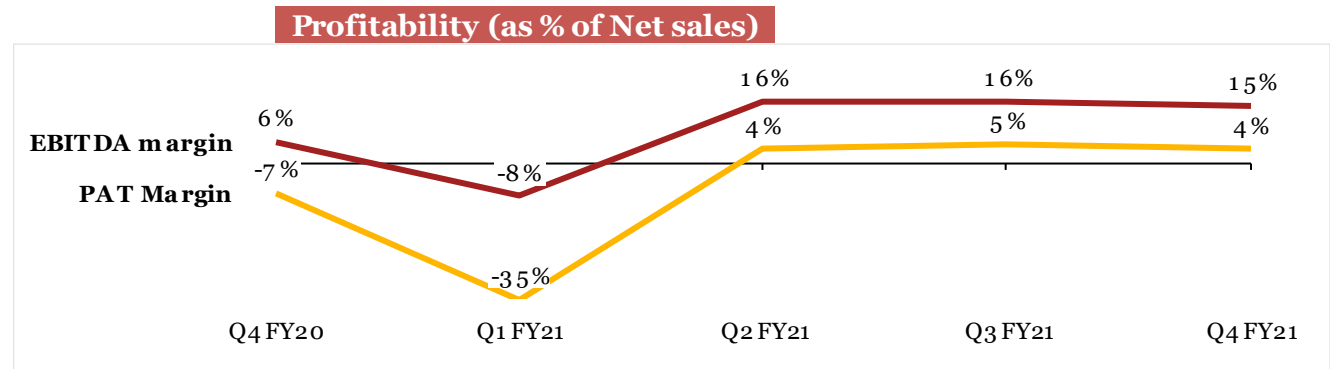
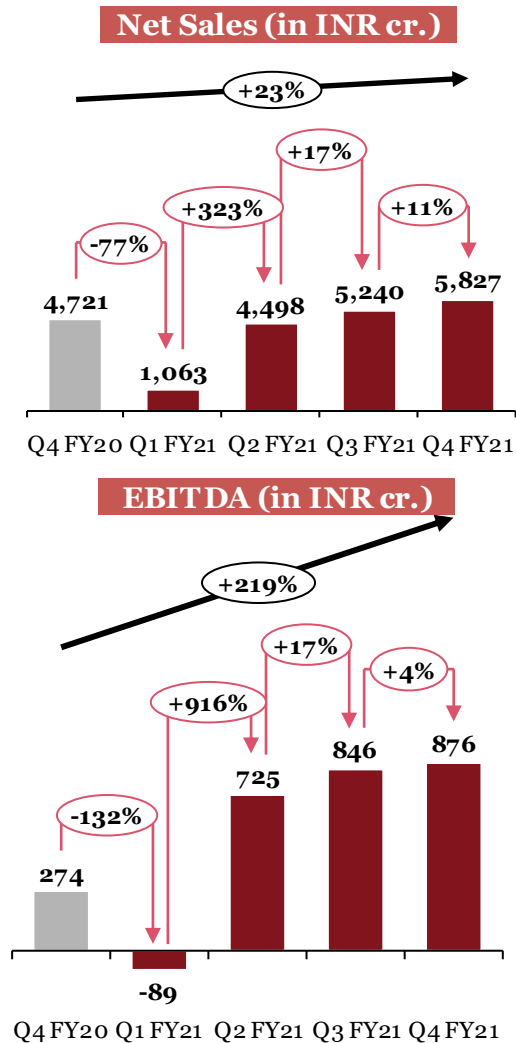
#### Material cost



#### Employee cost



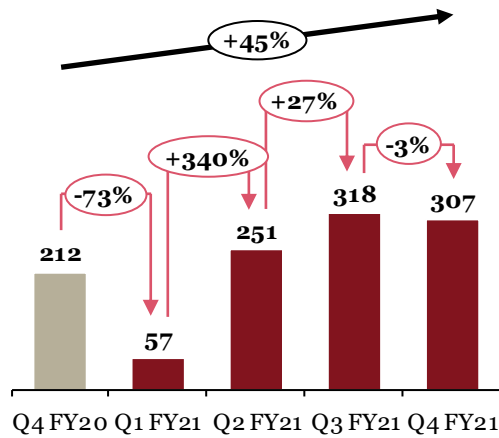
## Electrical and Electronics segment (10 companies)



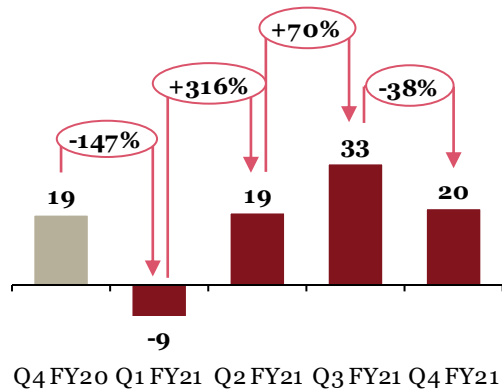
- EBITDA and net sales growth experienced a slowdown due to below-par sales of passenger vehicles and two wheelers.
- Although companies tried to reduce fixed costs, key commodity prices continued to rise in the quarter resulting in higher input costs.

## Interior segment (3 companies)

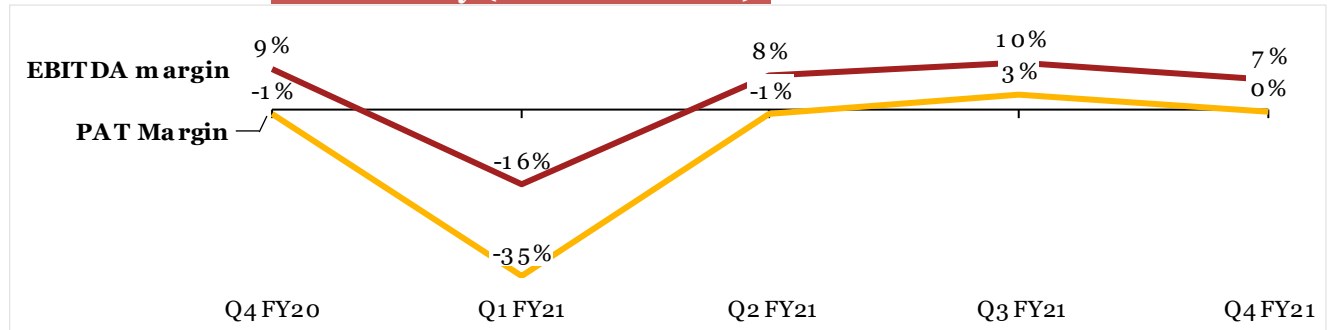
**Net Sales (in INR cr.)**



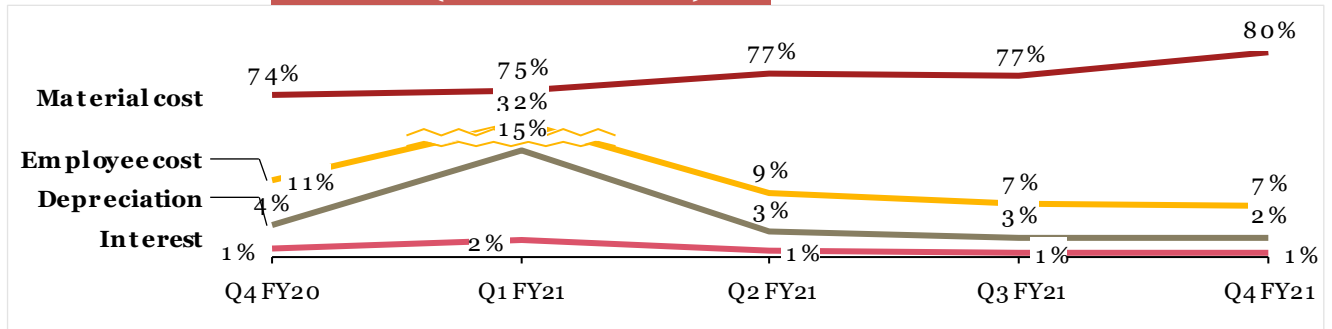
**EBITDA (in INR cr.)**



**Profitability (as % of Net sales)**

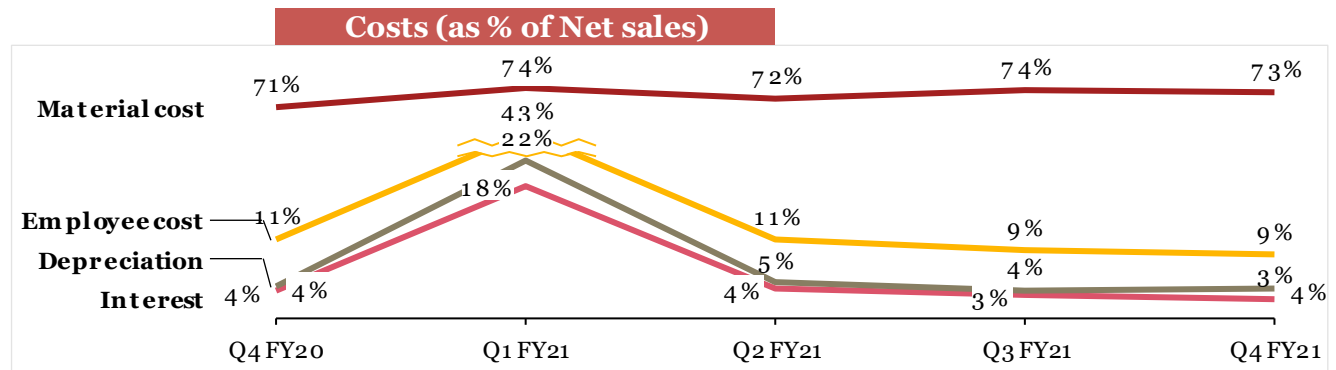
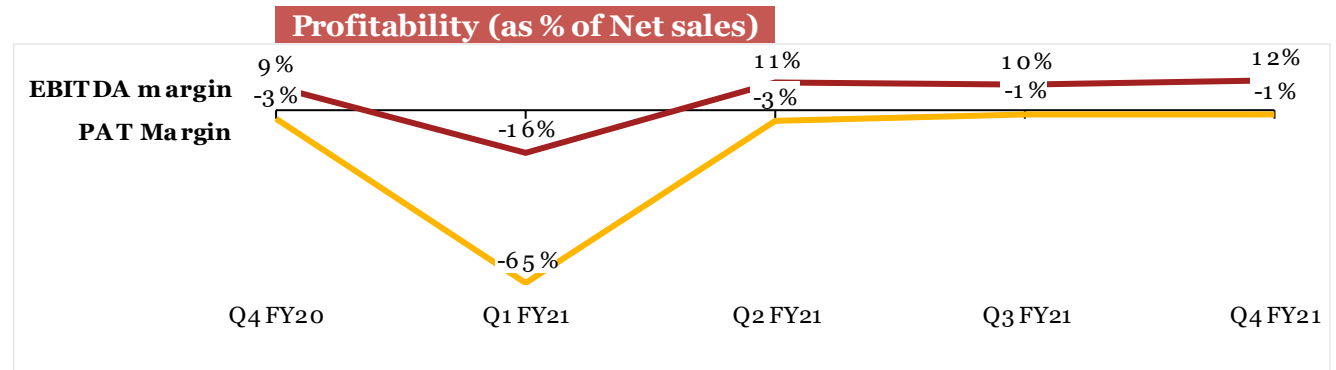
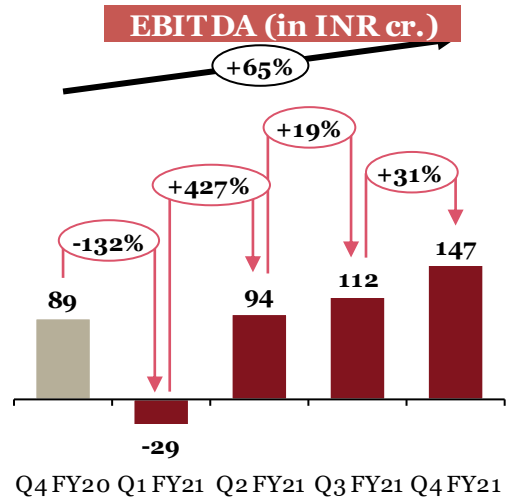
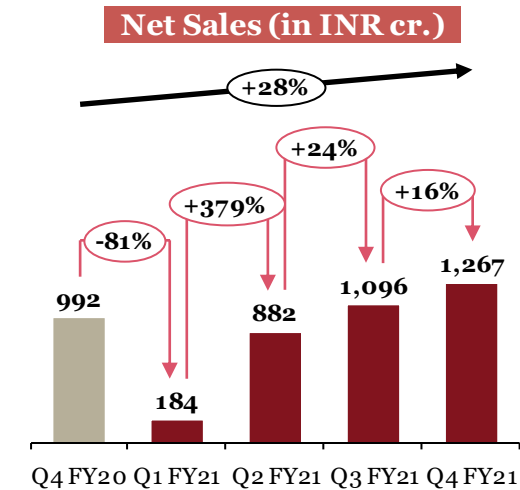


**Costs (as % of Net sales)**



- Net sales fell marginally as demand slowed down following the high volume of sales during the festive season in Q3 FY21.
- EBITDA experienced a sharp decline due to input costs being at an all time high, thus cancelling out the cost-cutting measures employed earlier.

## Body and chassis segment (8 companies)



- The body and chassis segment outdid it's performance from the previous quarter.
- Material cost saw a spike due to increased steel prices, while productivity increased as employee costs saw a dip.



## Appendices

Ratios Used		
Ratios	Definition	
<b>EBITDA margin</b>	(EBITDA-other income)/Net sales	
<b>PAT margin</b>	(PAT-other income)/Net sales	
<b>Cost as % of net sales</b>	<b>Landed material</b>	Raw Material + Stock Adjustments + Purchase of Finished goods/ Net sales
	<b>Depreciation</b>	Depreciation/ Net sales
	<b>Employee</b>	Employee cost/ Net sales
	<b>Interest</b>	Interest/ Net sales

*'other income' has been removed from the respective parameters to only include the revenue from core operations*



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