

www.pwc.com

ACMA- Financial Analysis *FY-23*

*Strictly private
and confidential*

September 2023



pwc

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

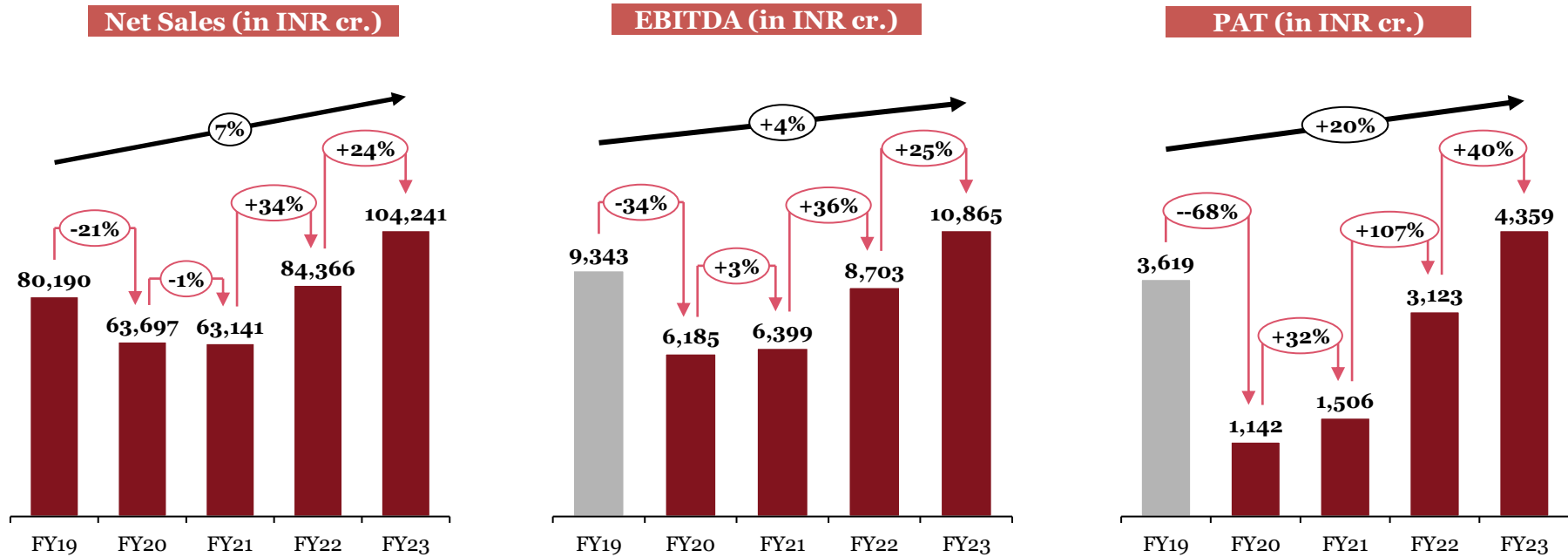
Size based classification				
Revenue Range	50 – 150 cr.	150 – 500 cr.	500 to 1000 cr.	>1000 cr.
Number of companies	3	24	11	32

Segment based classification		
Segment	#companies	List of companies
Transmission	13	Automotive Axles, Bharat Gears, Endurance Tech., JMT Auto, JTEKT India, L G Balakrishnan, RACL Geartech, Rane (Madras), Setco Automotive, Shivam Autotech, Suprajit Engg., The Hi-Tech Gear, Z F Steering
Engine	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.
Suspension	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
Electrical and Electronics	10	Bhagwati Auto, Fiem Inds., India Nipp.Elec., Lumax Auto Tech., Lumax Inds., Minda Corp, Minda Inds., Motherson Sumi, Pricol Ltd, Subros
Interior	3	Bharat Seats, Harita Seating, SAL Automotive
Body and Chassis	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

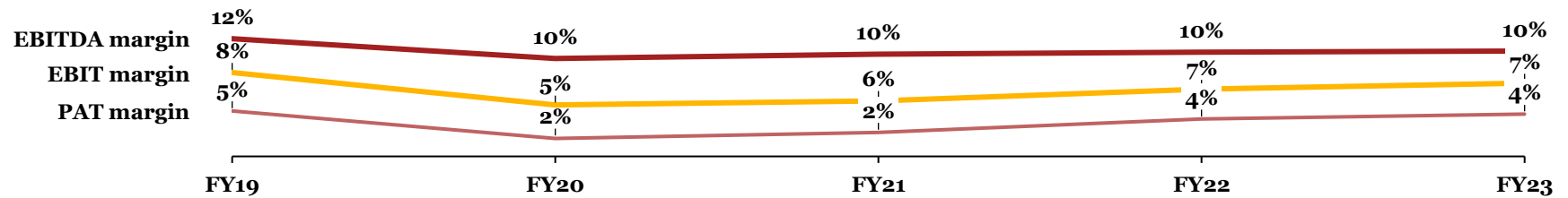
Aggregate financial analysis (70 in-scope companies)



- FY 23 EBITDA and PAT have been higher for the first time since pre-Covid times, showing signs of complete recovery
- Government incentives such as the PLI scheme, have boosted PAT numbers more significantly than EBITDA numbers

Trends in profitability (as % of Net sales)

Profitability margin (% of net sales)



EBITDA margin distribution of in-scope companies

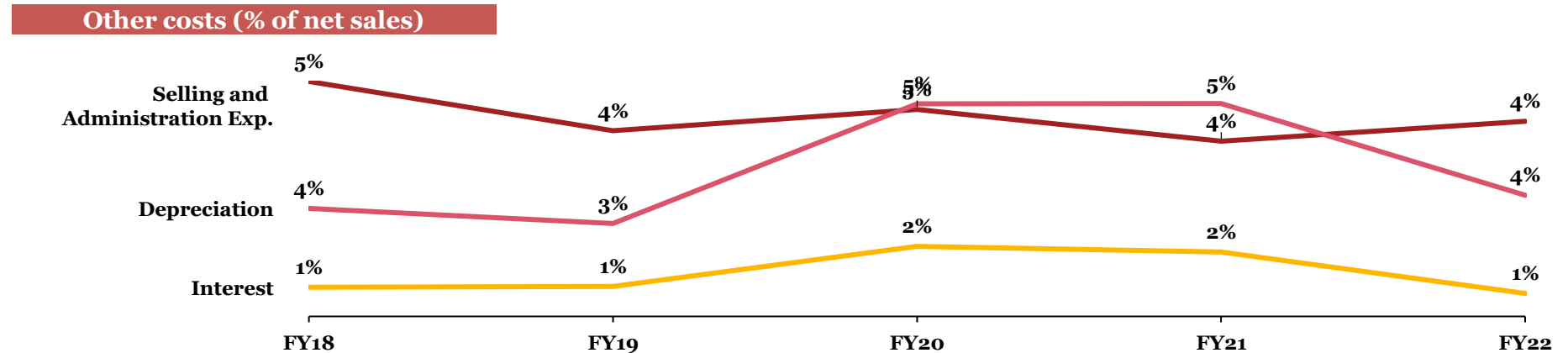
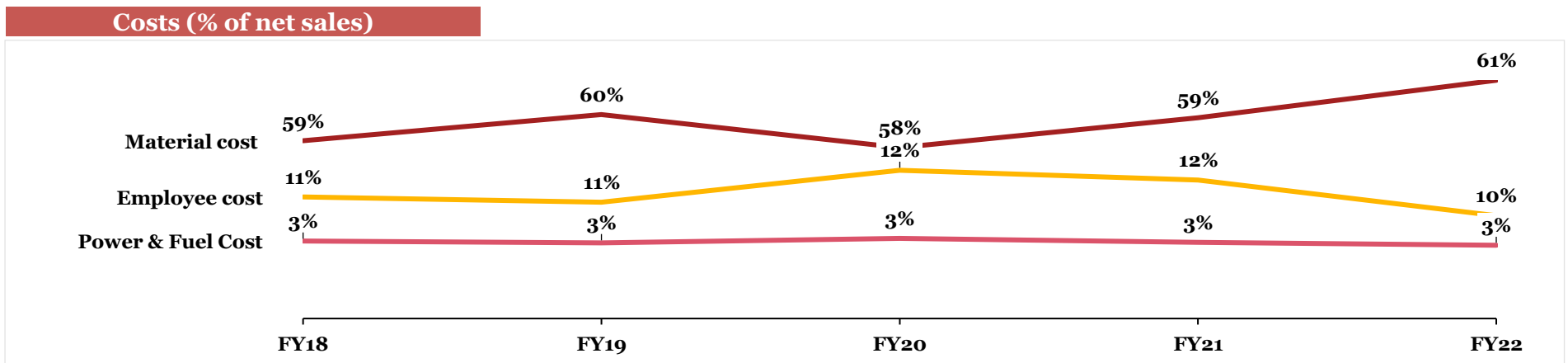
Range	FY22 Number of companies	FY23 Number of companies
Less than 0%	3	2
0-10%	40	38
10-20%	24	27
more than 20%	3	3

PAT margin distribution of in-scope companies

Range	FY22 Number of companies	FY23 Number of companies
less than 0%	20	17
0-5%	29	30
5-10%	19	20
more than 10%	2	3

- EBITDA and PAT remain relatively stable, however, margins are still lower than in pre-Covid times.
- Manufactures tend to lower the prices as the demand is yet to pick up momentum from the end consumer. However, there are clear signs with increased net sales in FY23, to have a better picture in FY24.

Trends in costs (as % of Net sales)

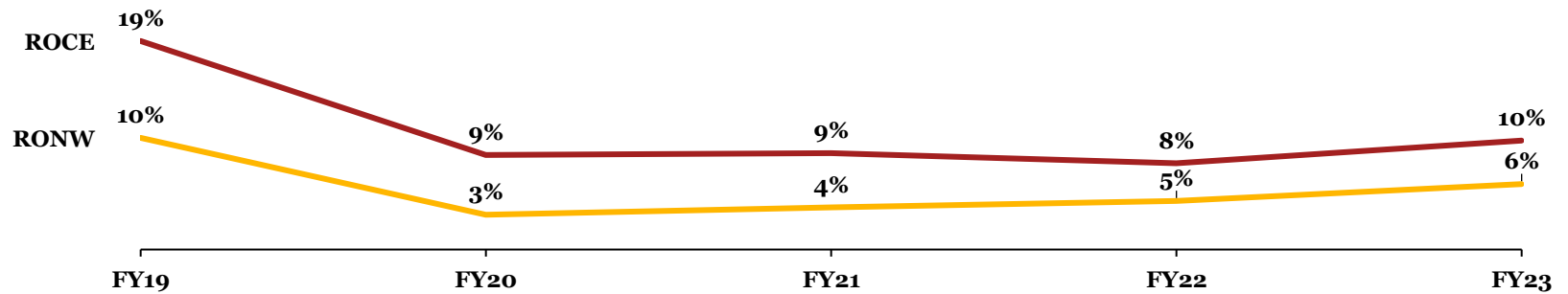


➤ Material costs rose, especially those of base metals, as ever-increasing demand on the back of worldwide economic recovery pushed prices upwards

Trends in efficiency-1

70 in-scope companies

Efficiency ratios



ROCE distribution of in-scope companies

ROCE % Range	FY22 Number of companies	FY23 Number of companies
Less than 0%	10	8
0-5%	7	14
5-10%	13	5
10-20%	20	16
More than 20%	20	27

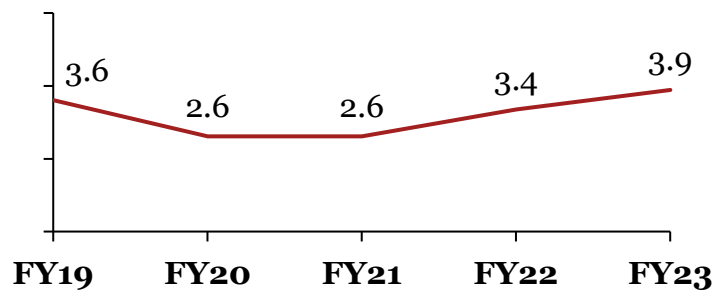
RONW distribution of in-scope companies

RONW % Range	FY22 Number of companies	FY23 Number of companies
Less than 0%	19	18
0-5%	15	13
5-10%	18	11
10-20%	14	23
More than 20%	4	5

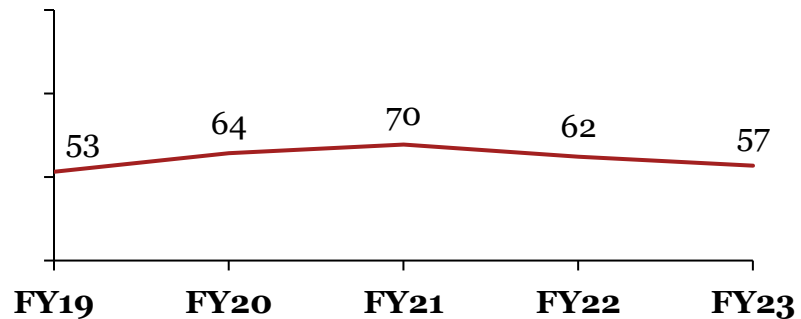
Compared to FY 22, a higher number of companies registered ROCE and RONW of more than 20% – the impact of effective cost-cutting measures by firms, lower healthcare expenditures, and higher consumer demand due to increased commercial and industrial activity

Trends in efficiency-2

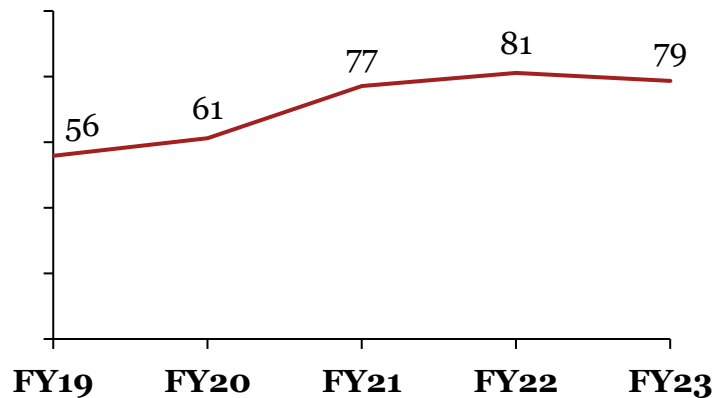
Fixed Asset Turnover Ratio



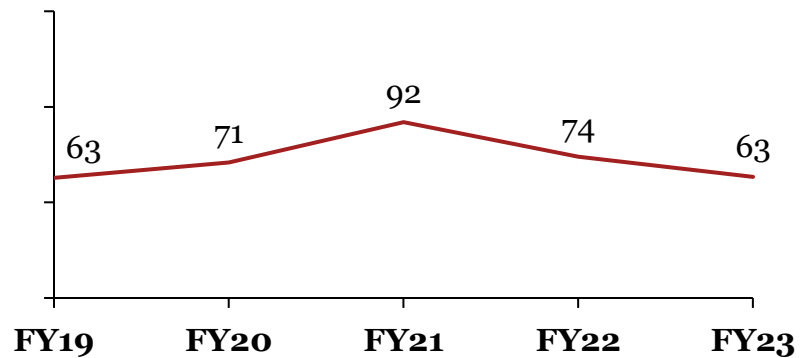
Inventory Turnover days



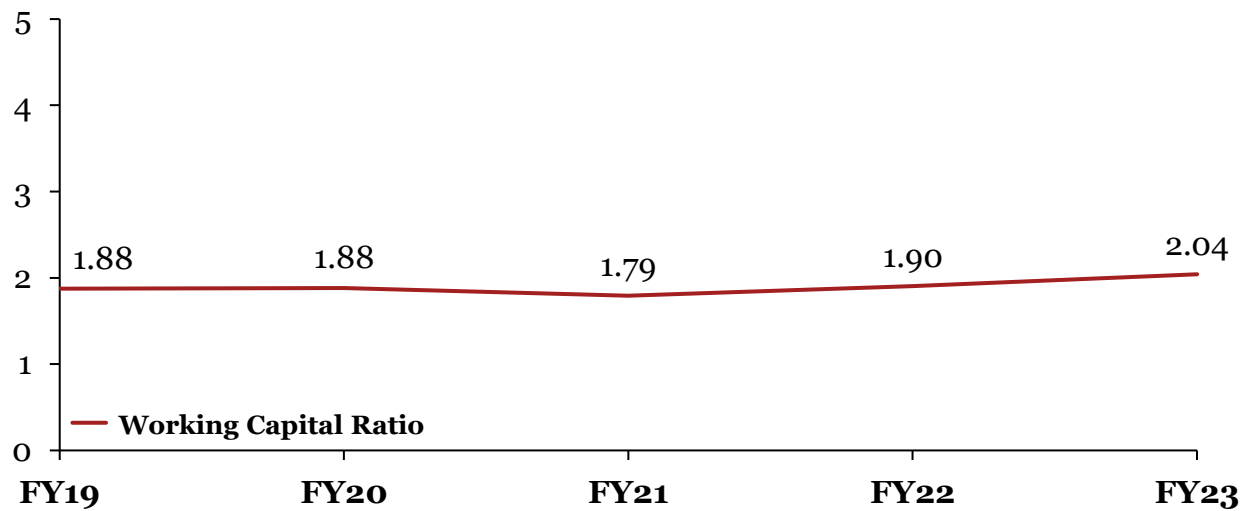
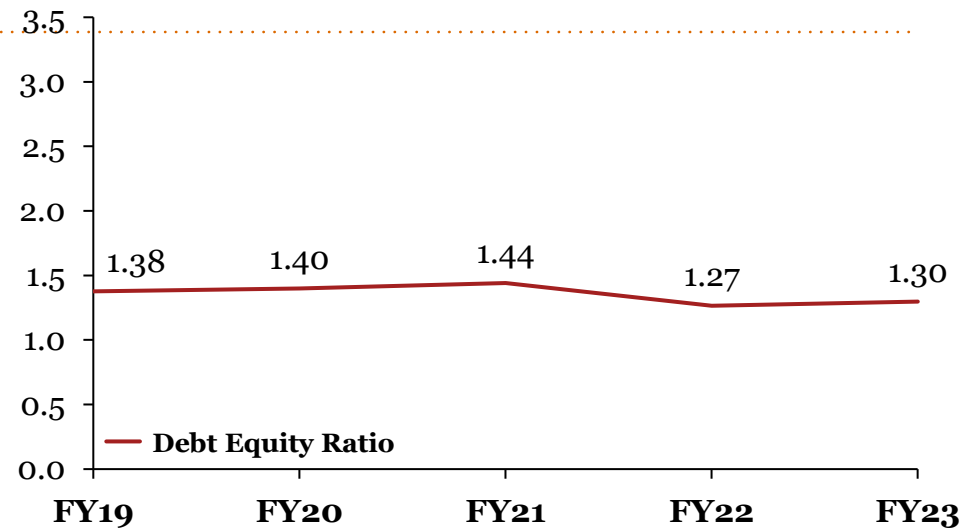
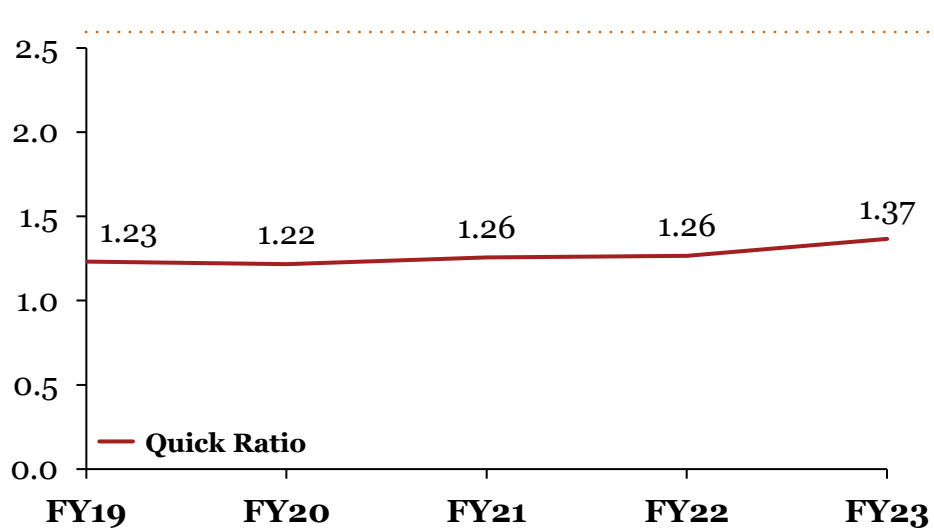
Days working capital



Average days payable outstanding



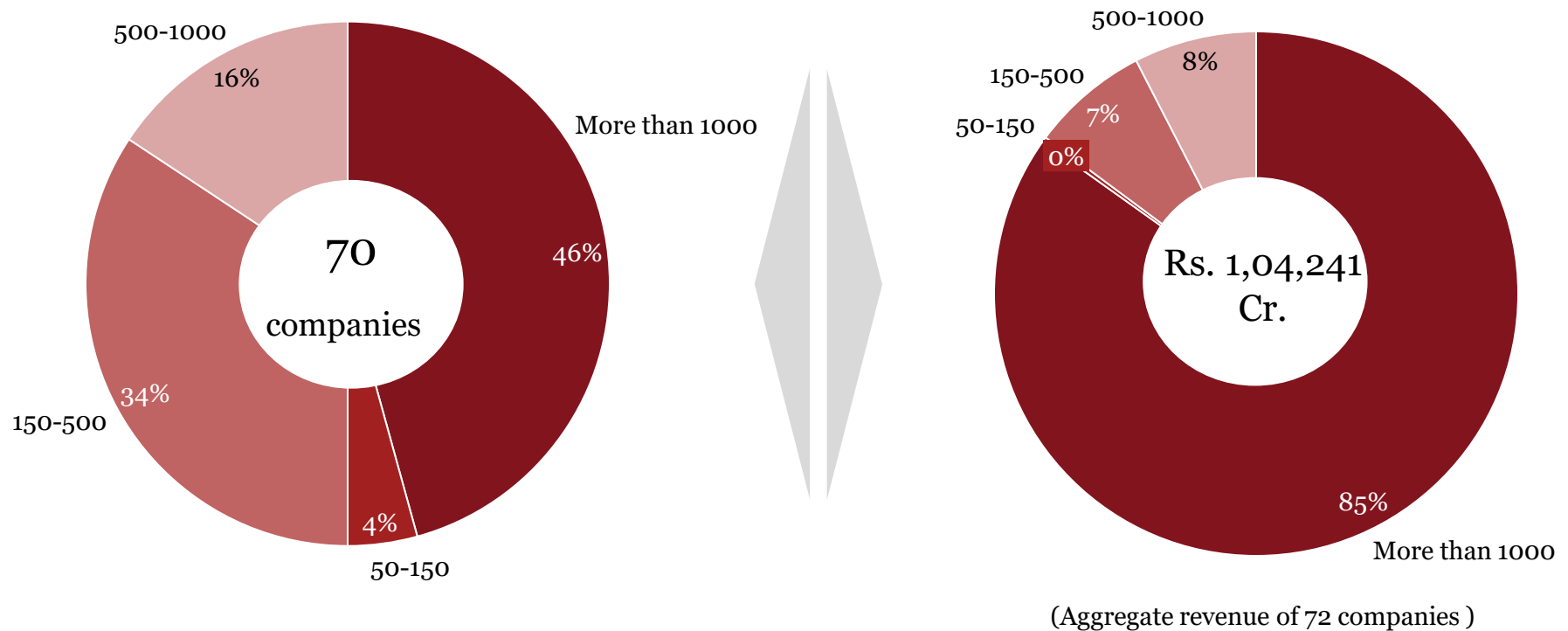
Trends in efficiency-2



Size based analysis

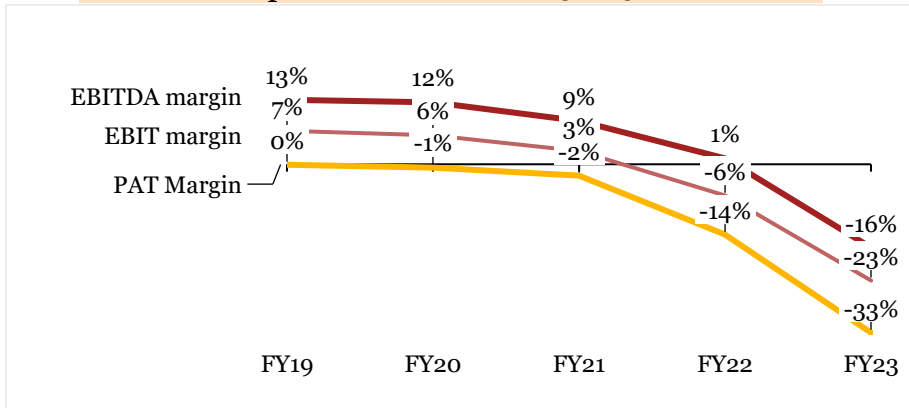
Revenue based classification

Revenue based classification				
Revenue Range	50 – 150 cr.	150 – 500 cr.	500-1000 cr.	>1000 cr.
Number of companies	3	24	11	32

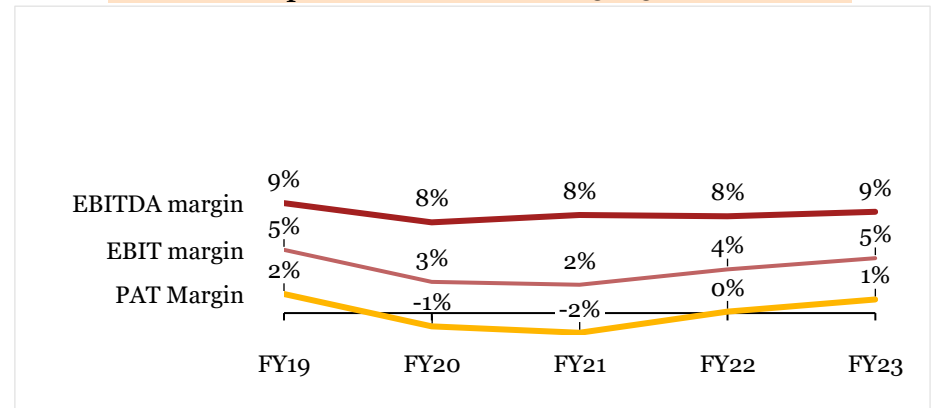


Trends in profitability (as % of Net sales)

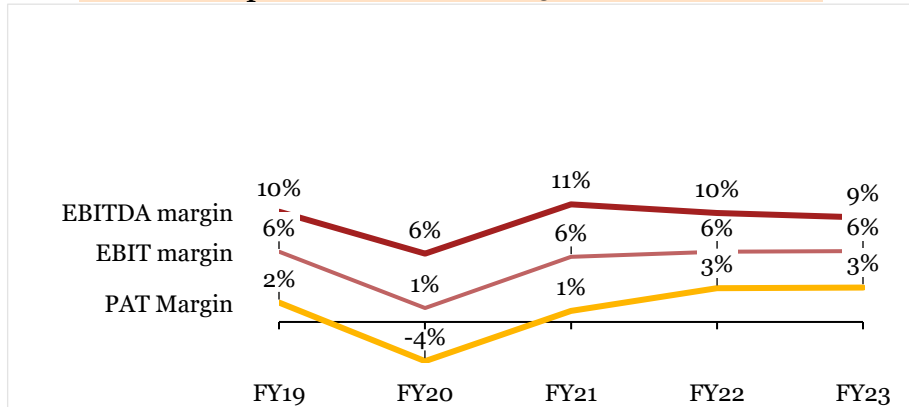
Companies with revenue 50-150 cr.



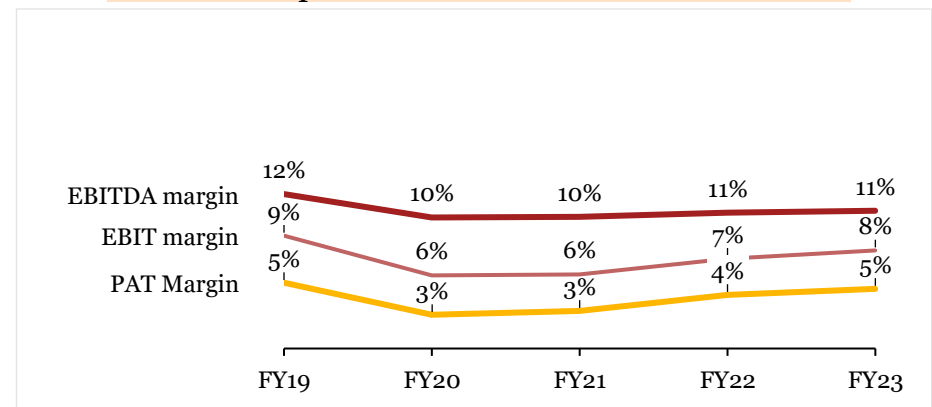
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

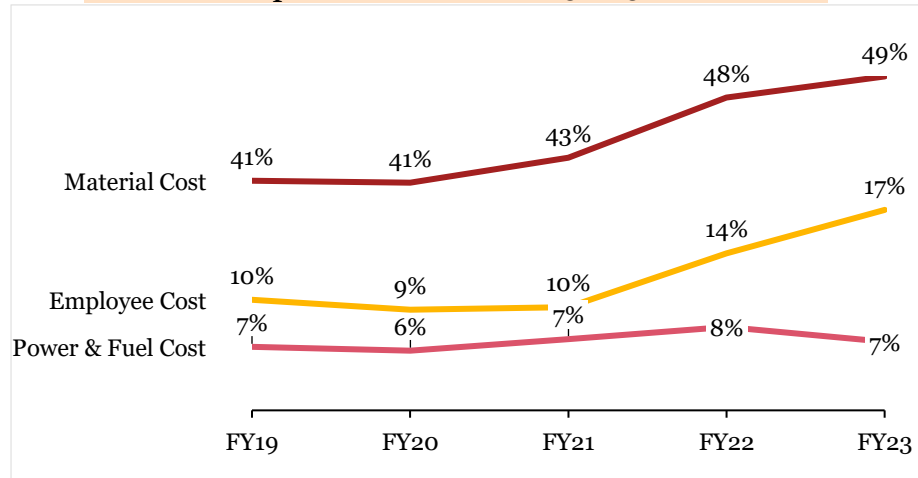


Companies with revenue >1000 cr.

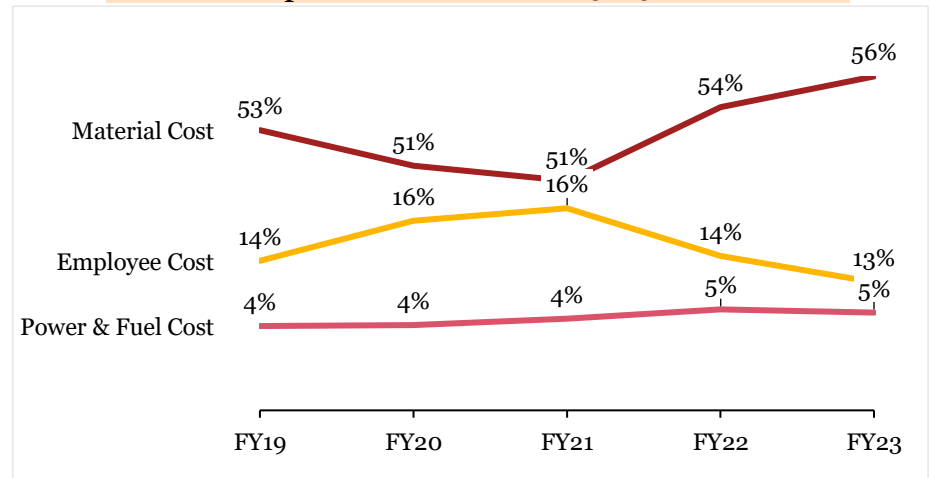


Trends in costs (as % of Net sales)

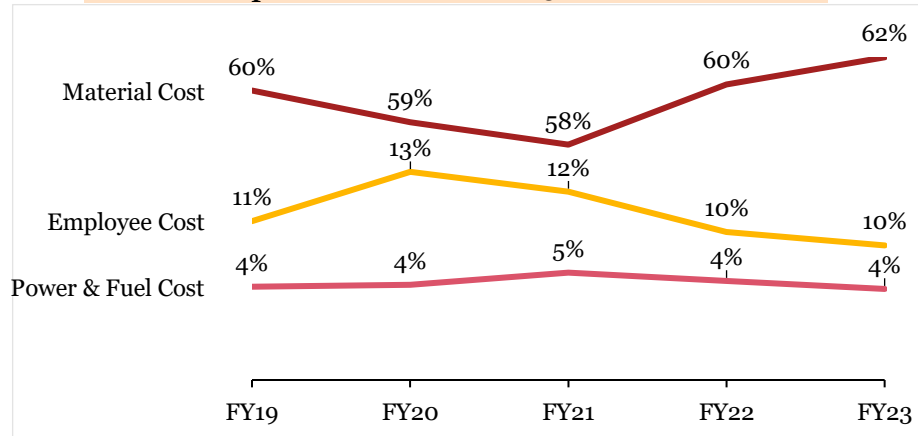
Companies with revenue 50-150 cr.



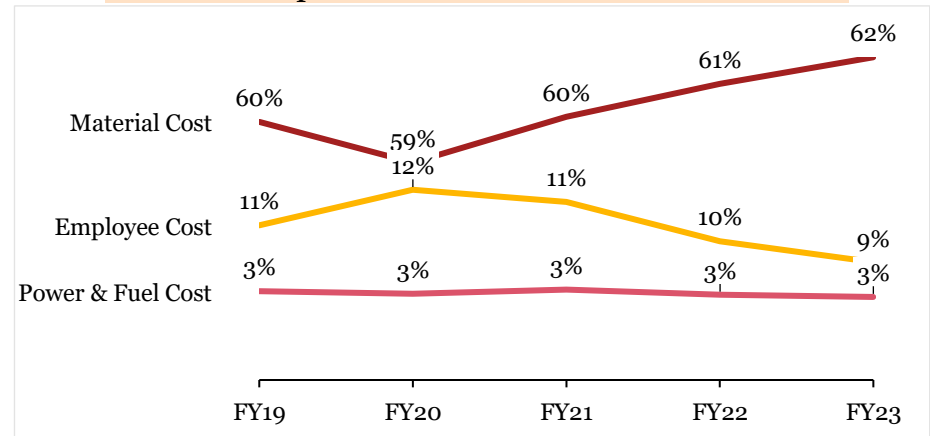
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

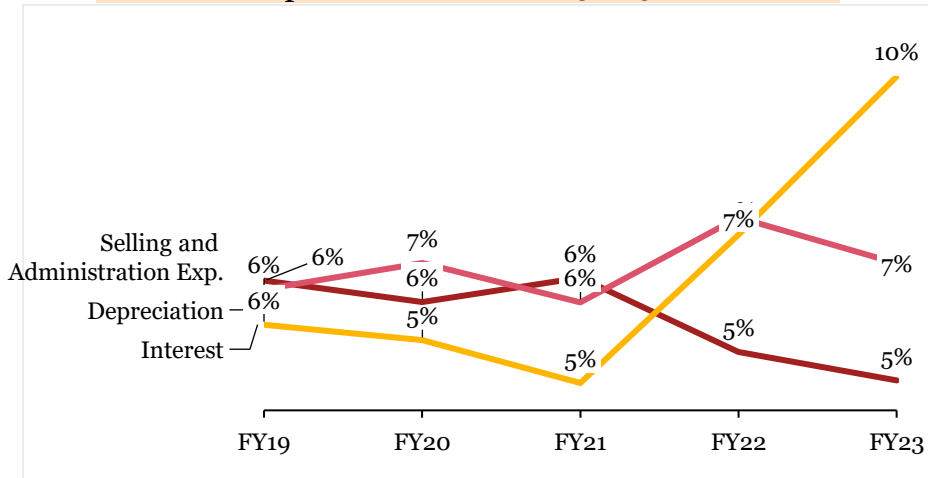


Companies with revenue >1000 cr.

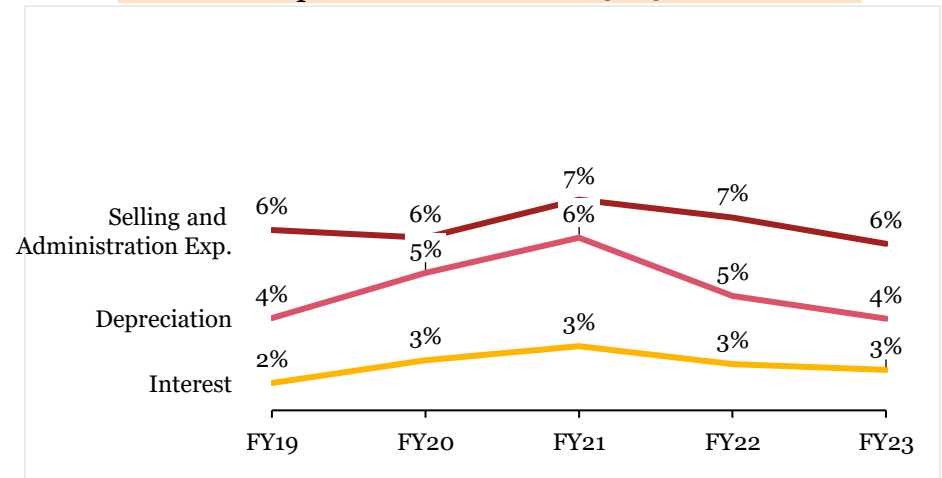


Trends in costs (as % of Net sales)

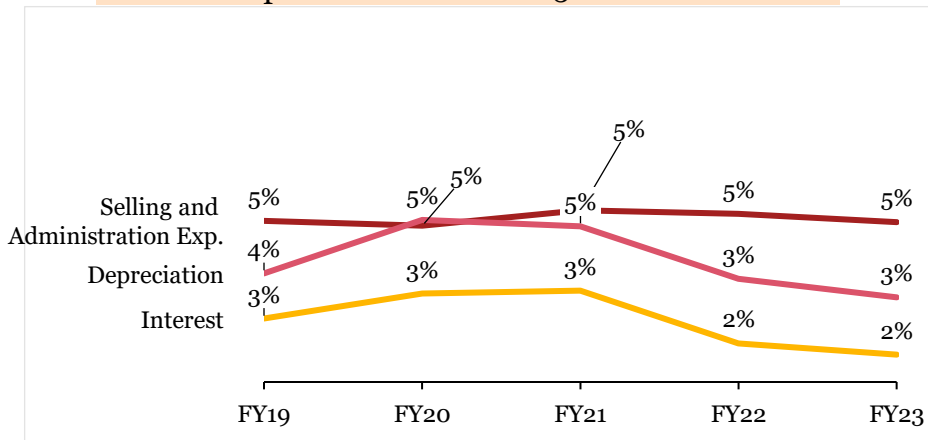
Companies with revenue 50-150 cr.



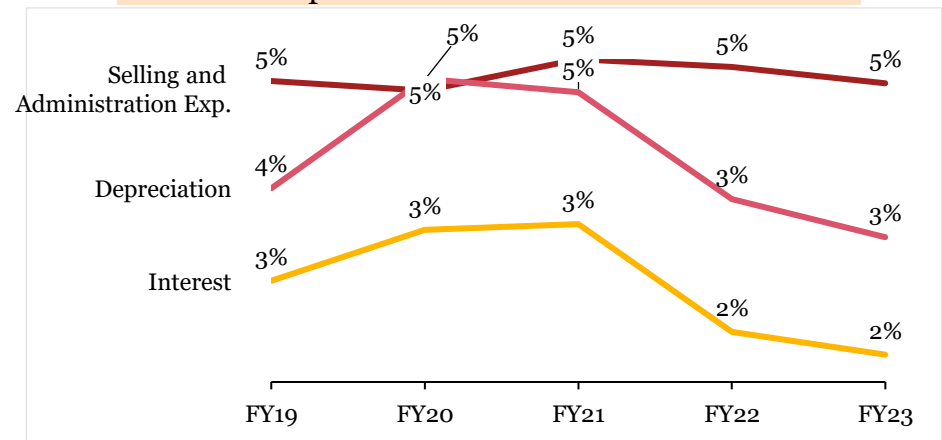
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

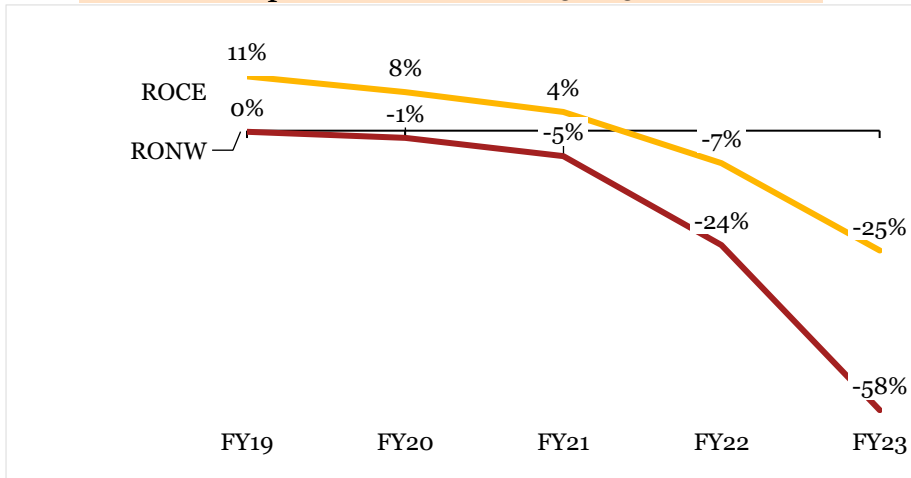


Companies with revenue >1000 cr.

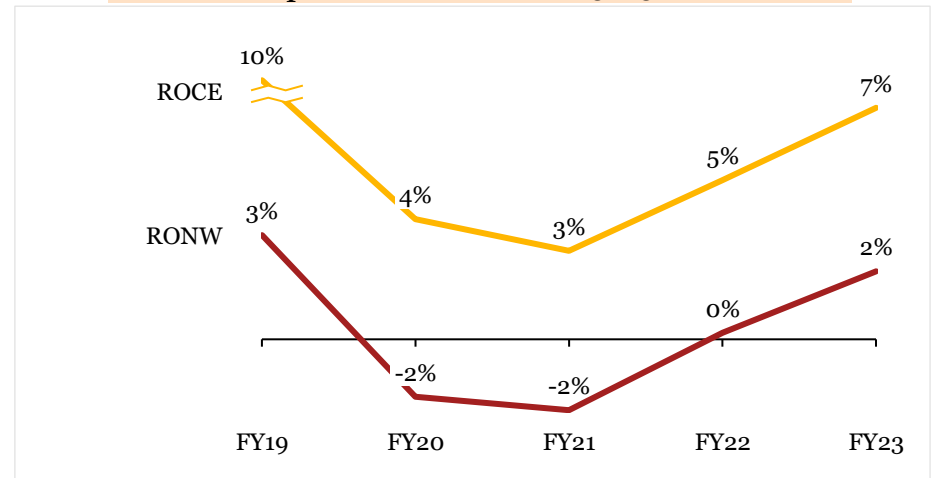


Trends in efficiency

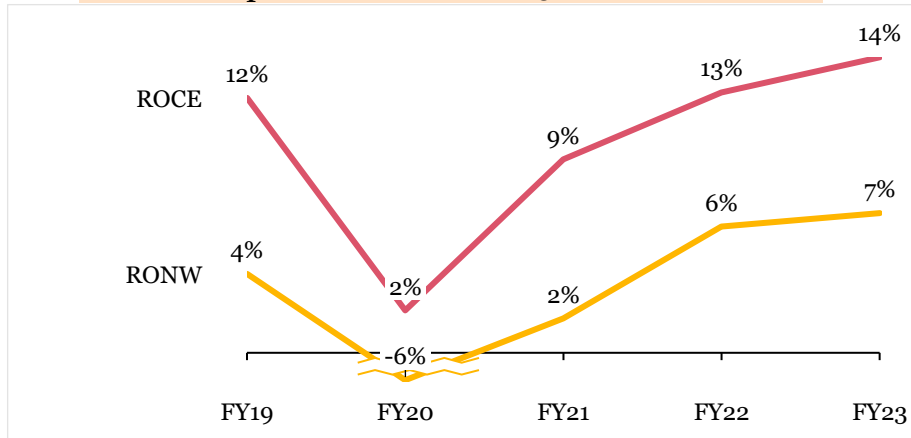
Companies with revenue 50-150 cr.



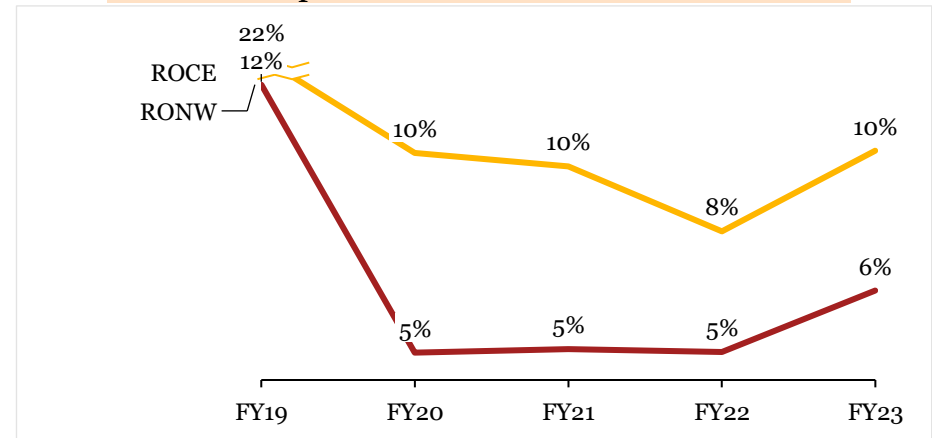
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

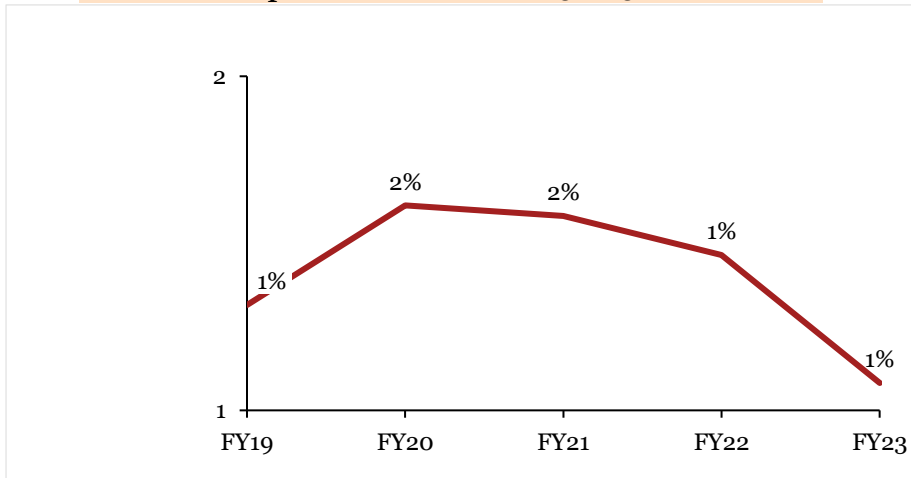


Companies with revenue >1000 cr.

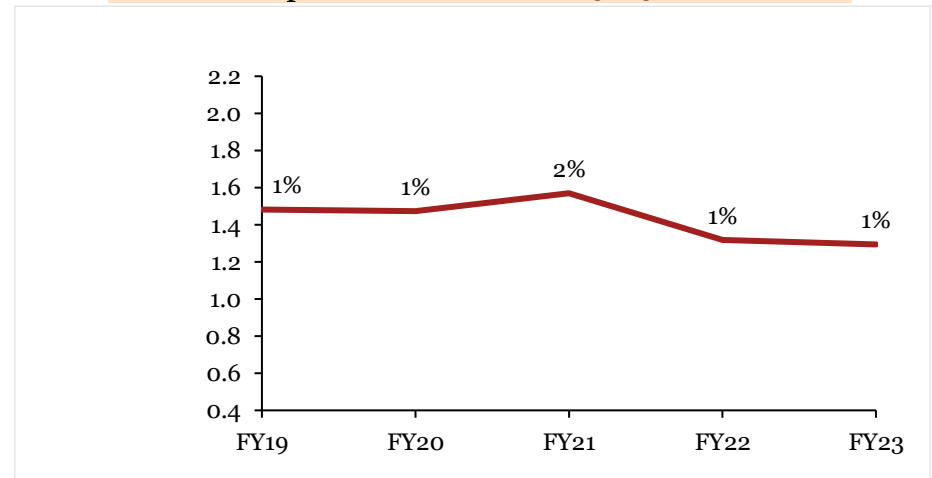


Quick Ratio

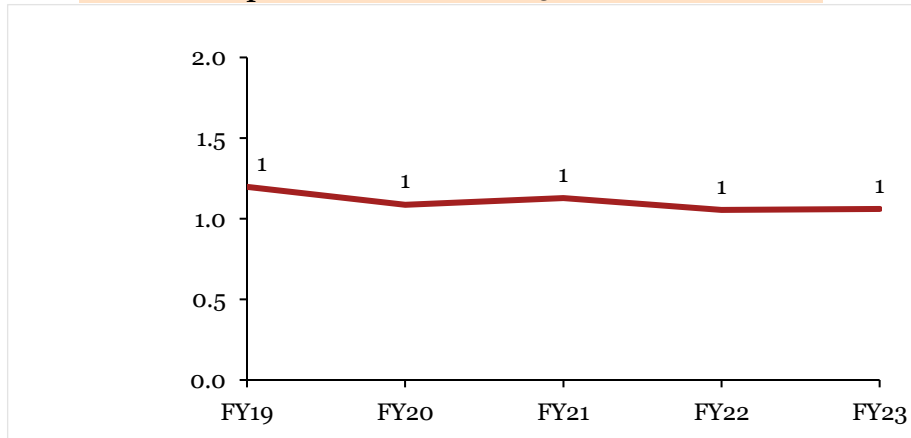
Companies with revenue 50-150 cr.



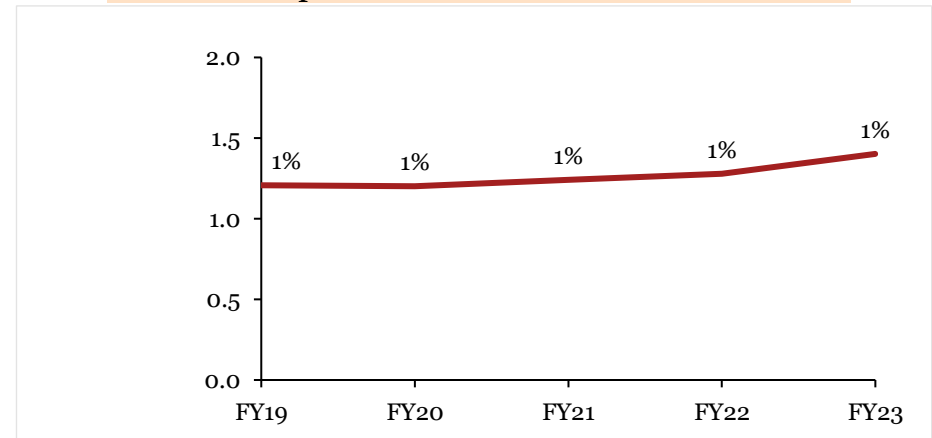
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

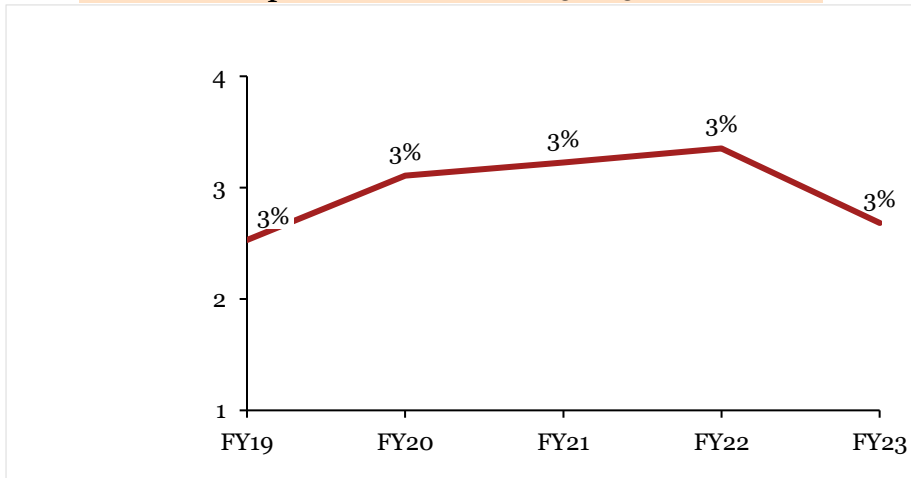


Companies with revenue >1000 cr.

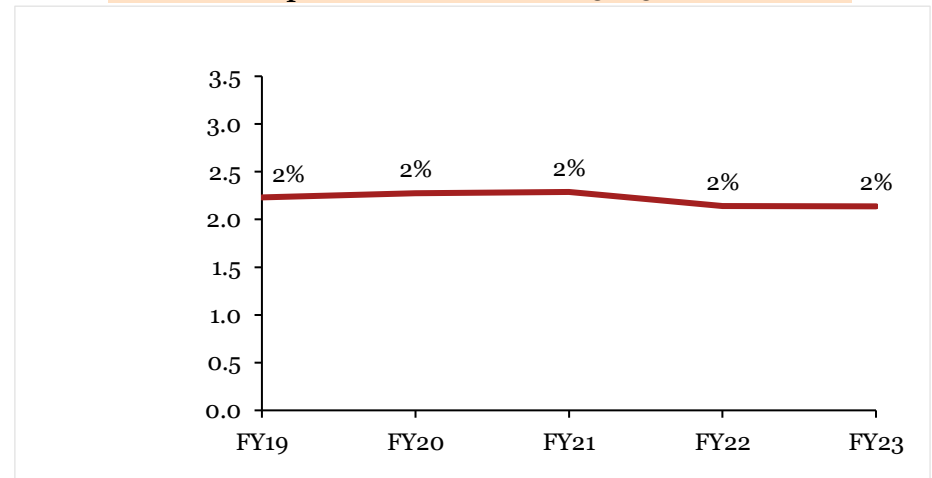


Working Capital Ratio

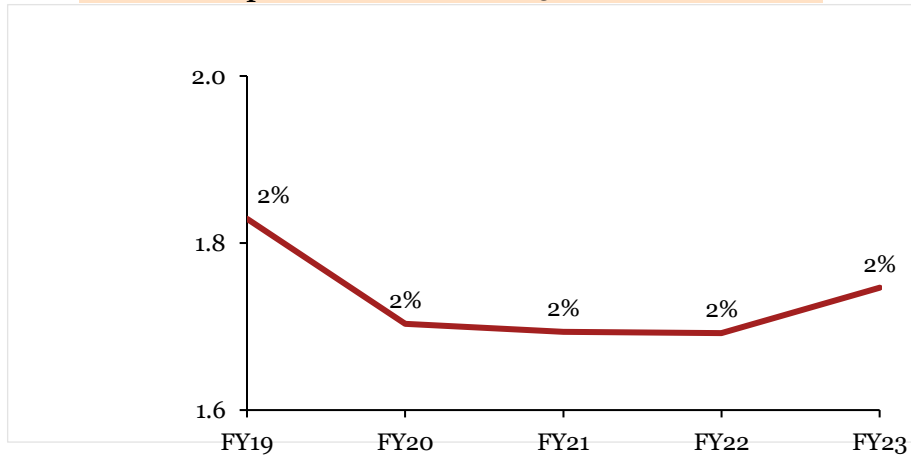
Companies with revenue 50-150 cr.



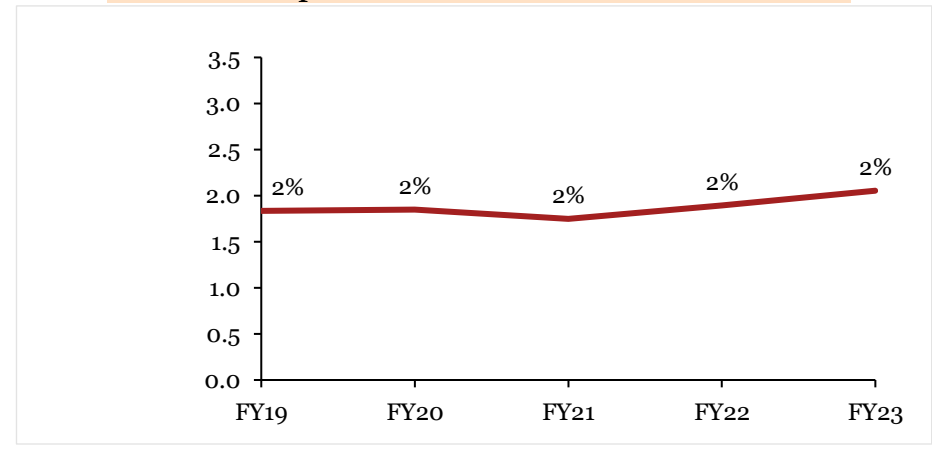
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

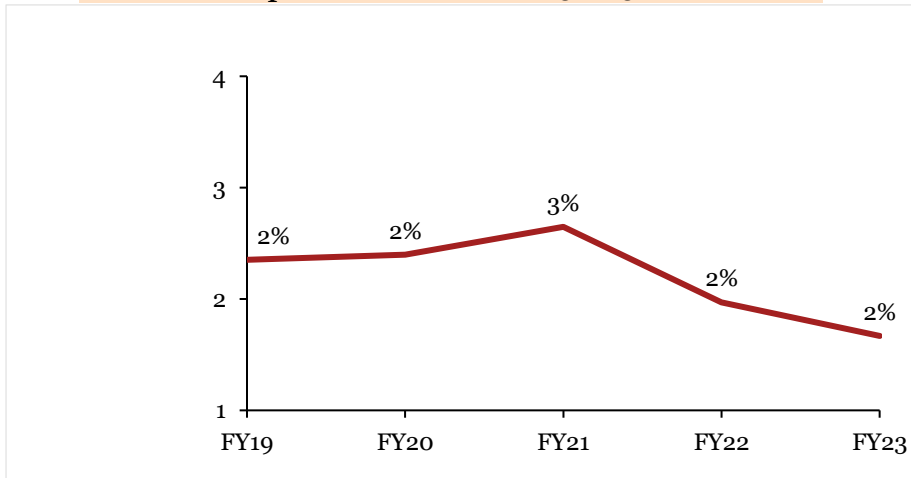


Companies with revenue >1000 cr.

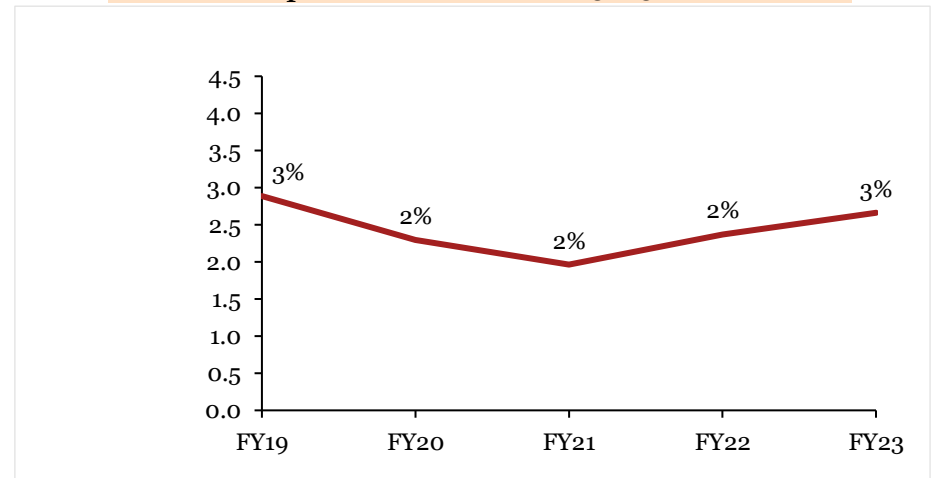


Fixed asset turnover ratio (FATO)

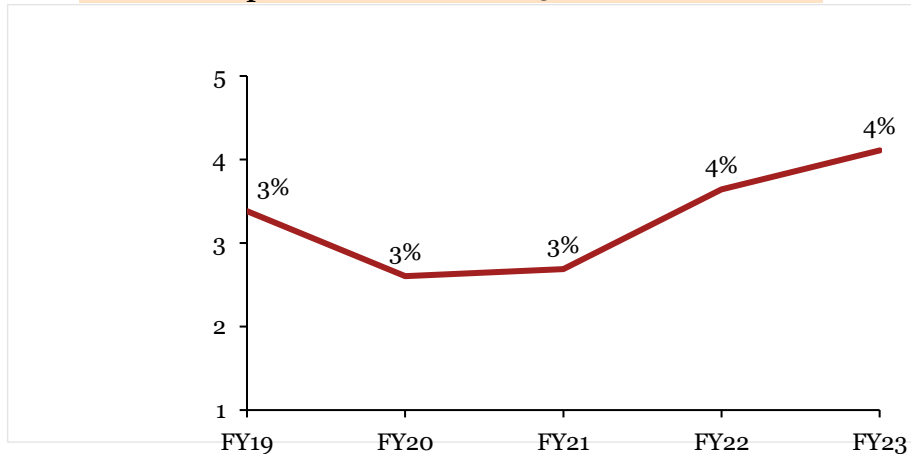
Companies with revenue 50-150 cr.



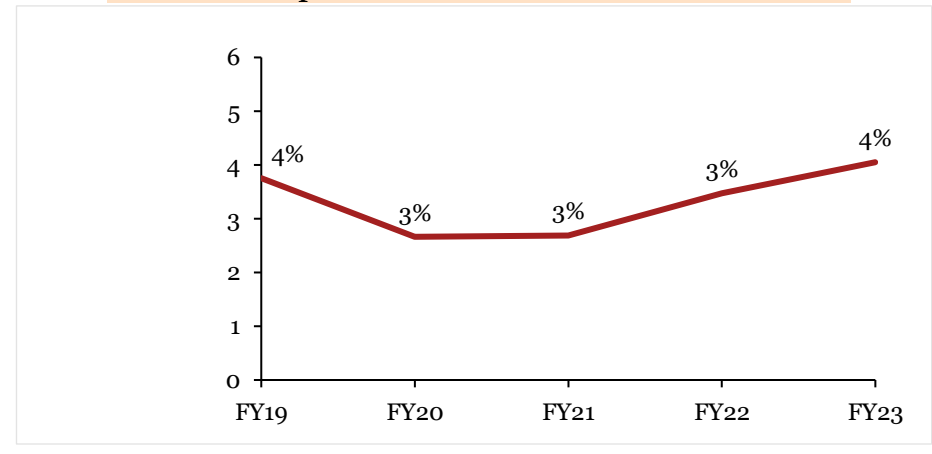
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

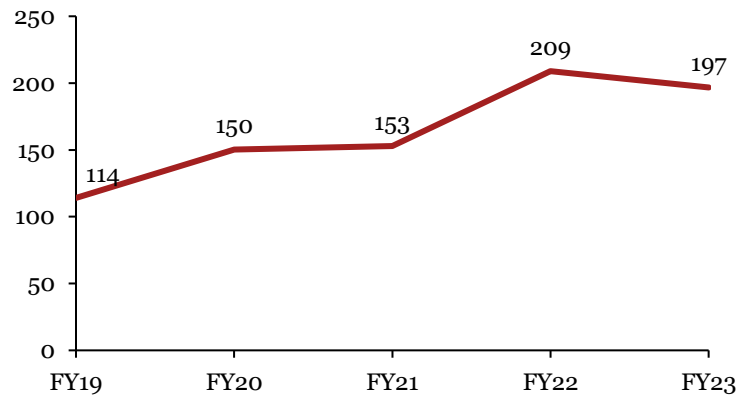


Companies with revenue >1000 cr.

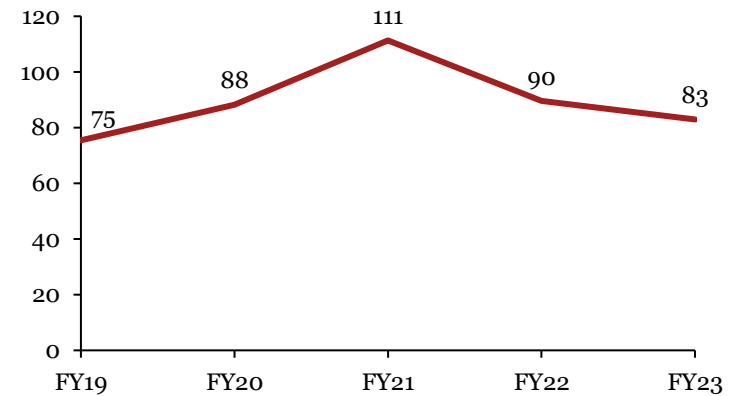


Working capital days (days)

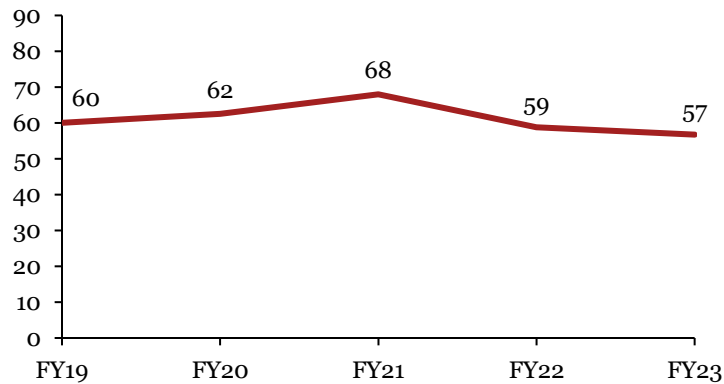
Companies with revenue 50-150 cr.



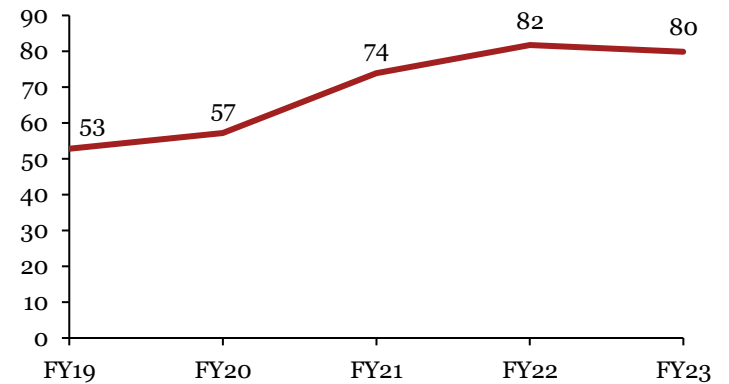
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

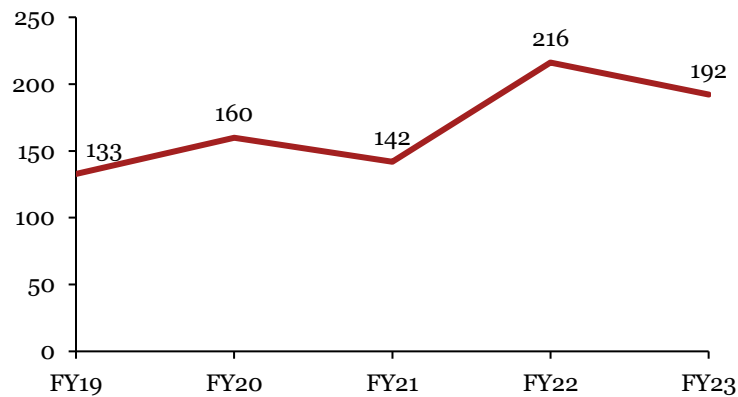


Companies with revenue >1000 cr.

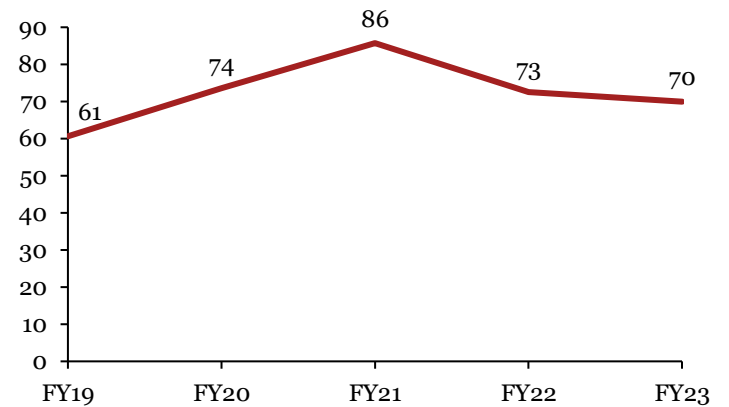


Inventory Turnover (days)

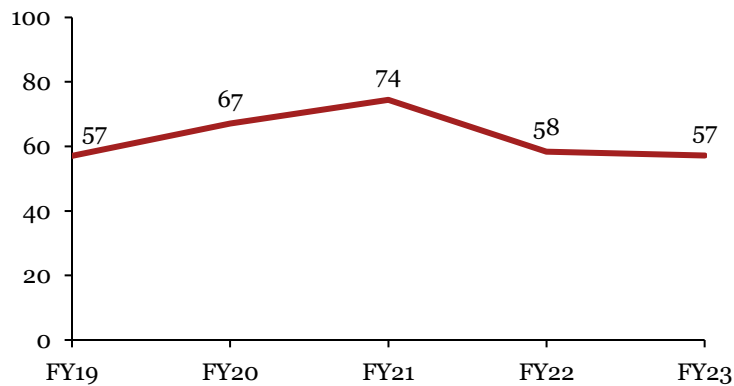
Companies with revenue 50-150 cr.



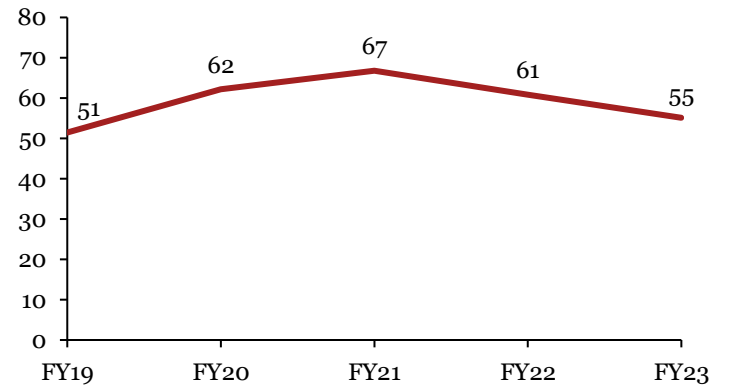
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

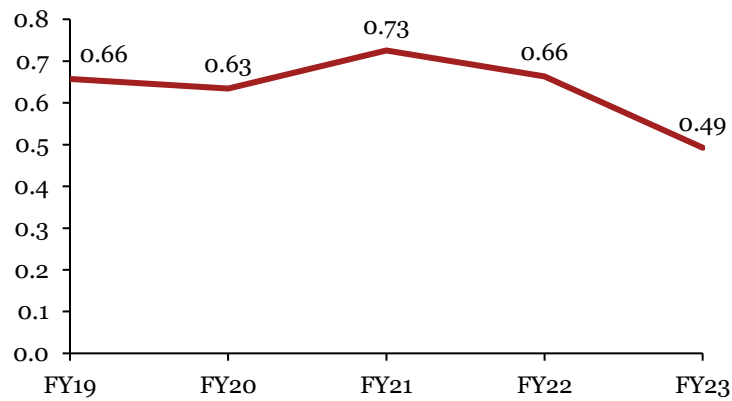


Companies with revenue >1000 cr.

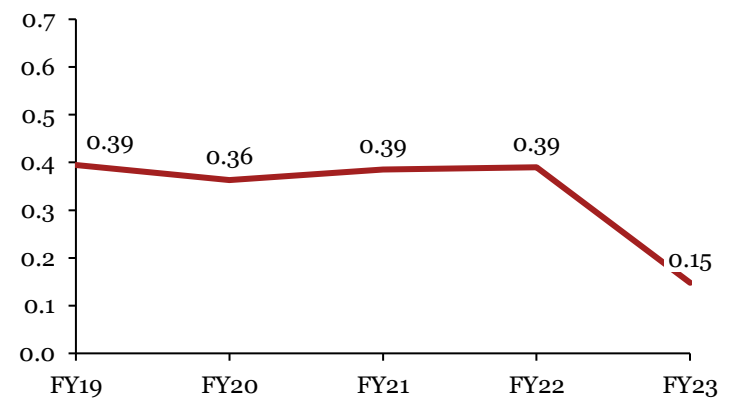


Debt-Equity Ratio

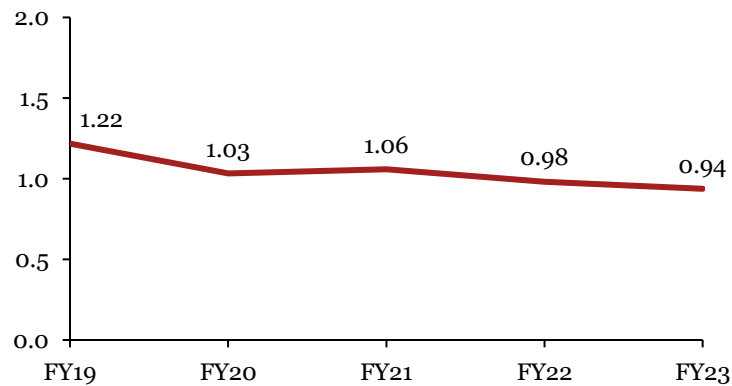
Companies with revenue 50-150 cr.



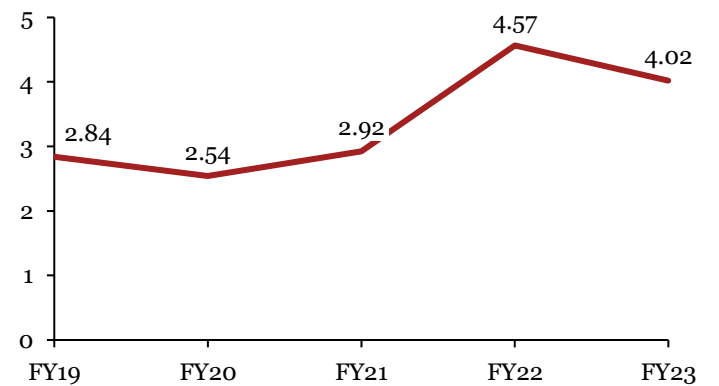
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

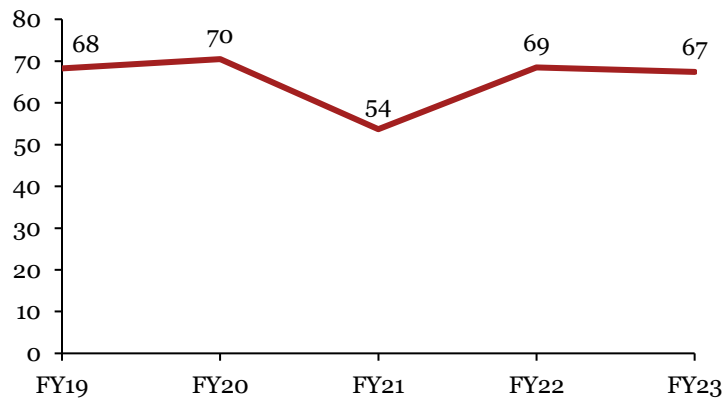


Companies with revenue >1000 cr.

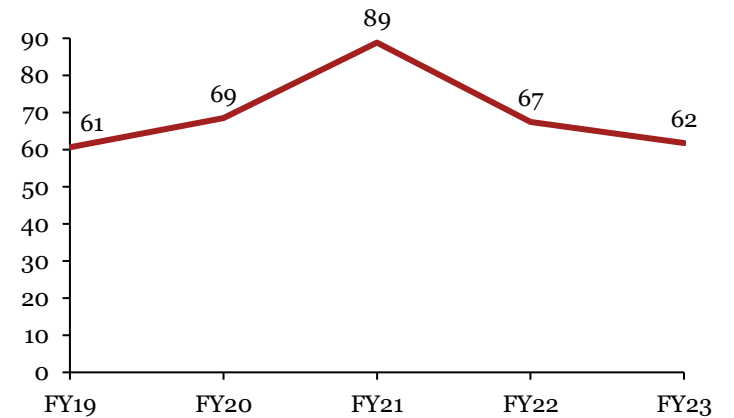


Average days payable outstanding

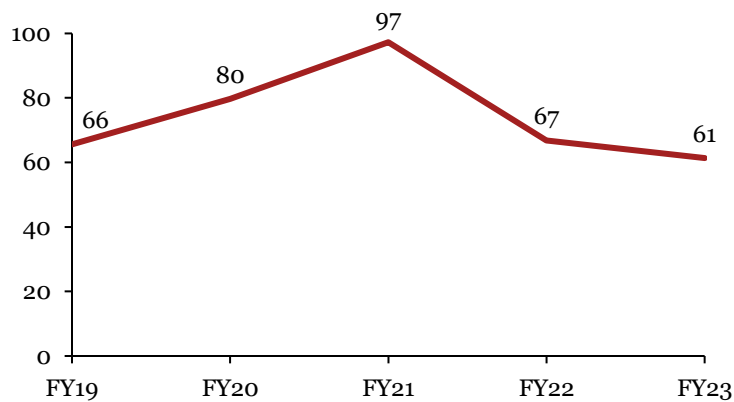
Companies with revenue 50-150 cr.



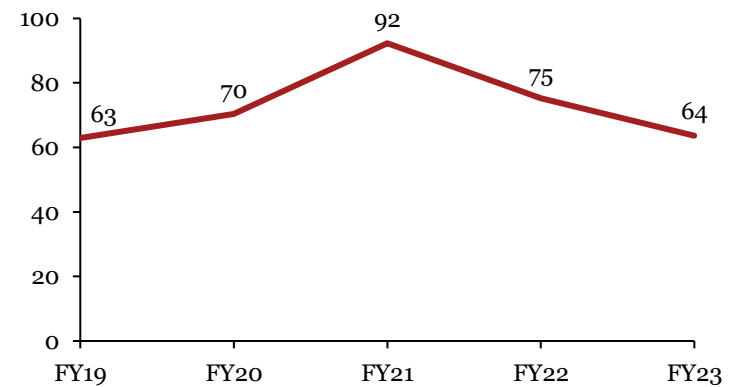
Companies with revenue 150-500 cr.



Companies with revenue 500-1000 cr.

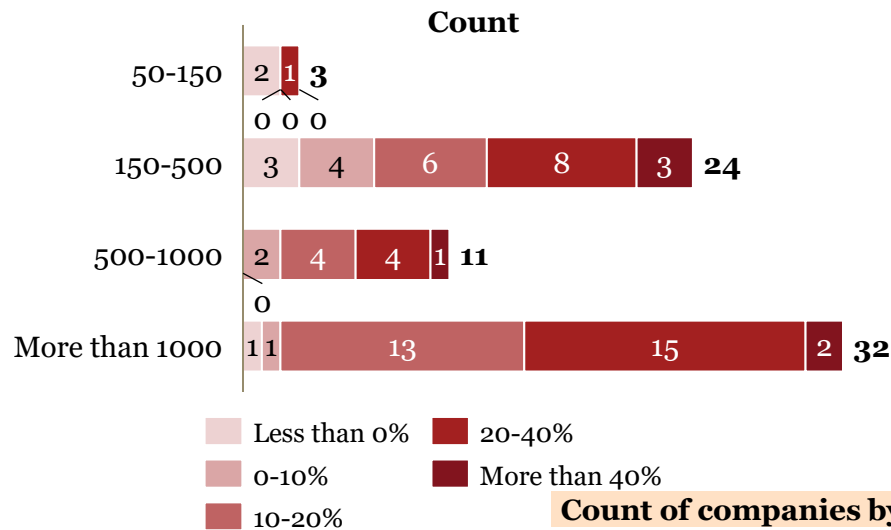


Companies with revenue >1000 cr.

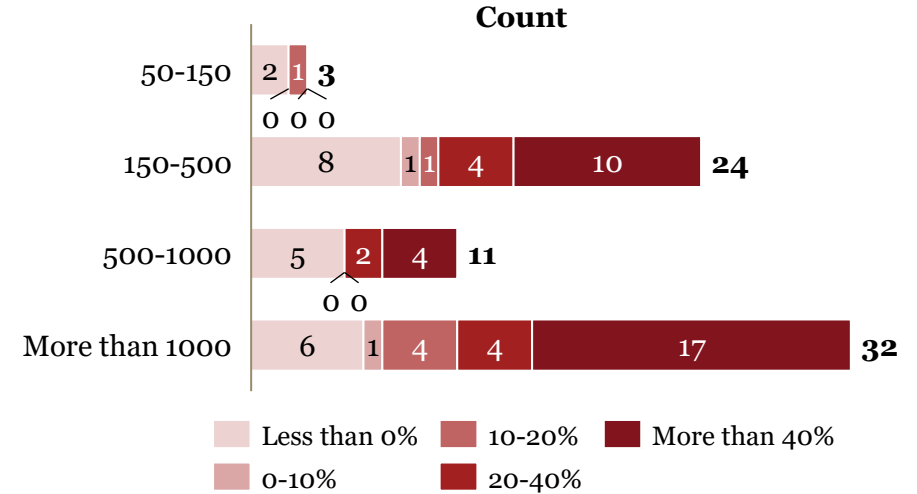


Count of companies per growth % range : by revenue segment Q4 FY21 vs. Q4 FY20

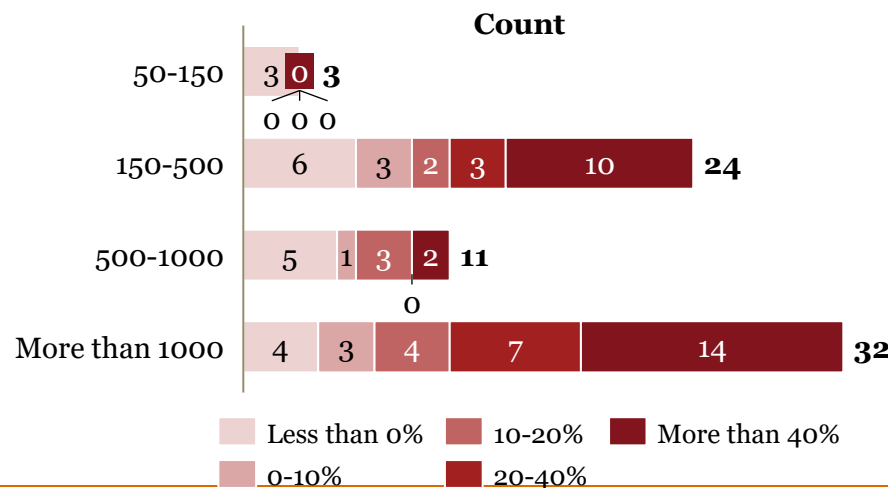
Count of companies by Y-o-Y Net Sales growth %



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

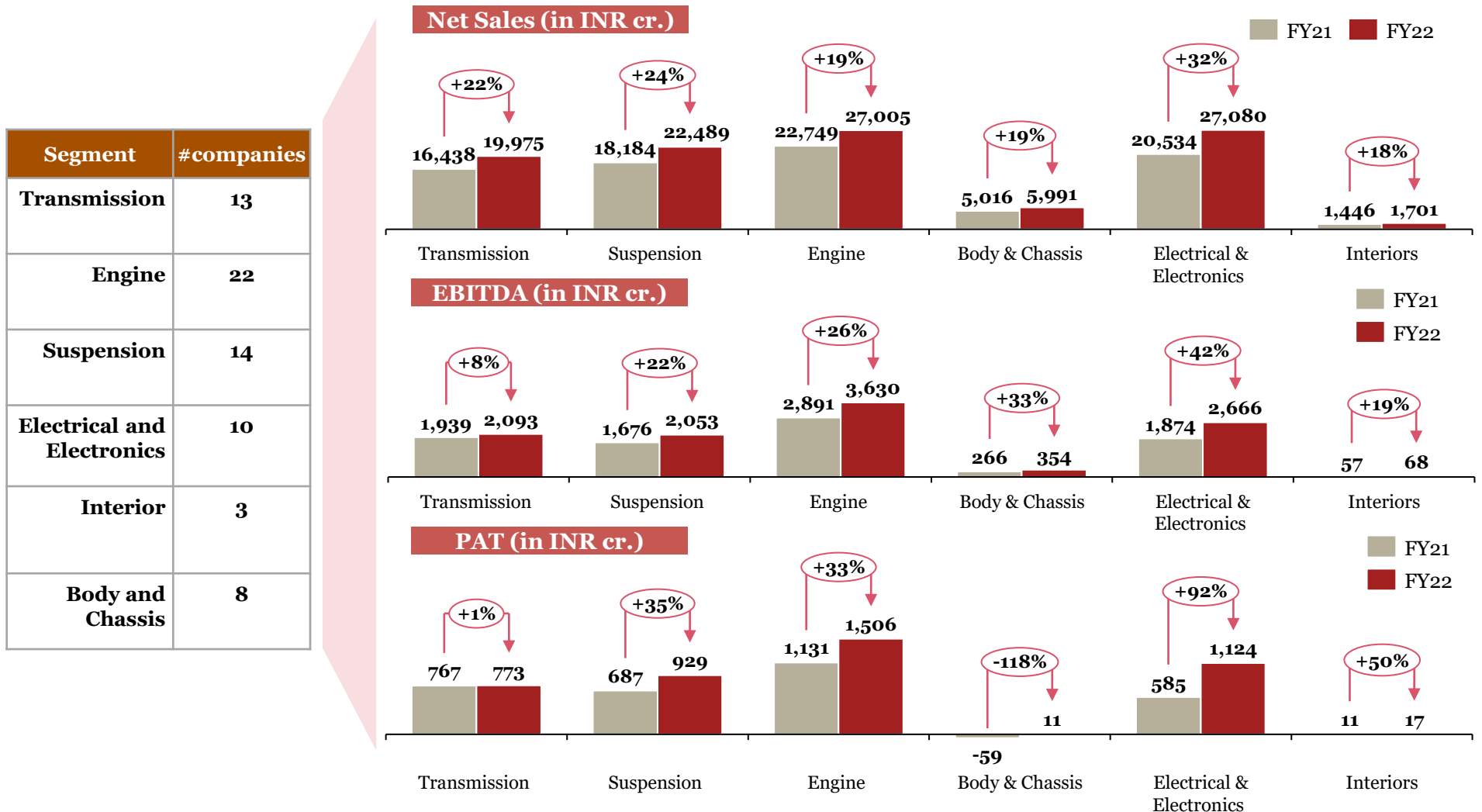


Count of companies by Y-o-Y EBITDA growth %



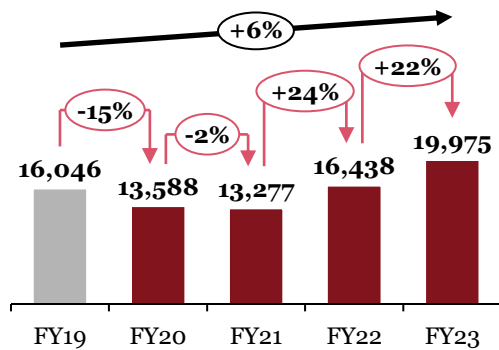
Segment analysis

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

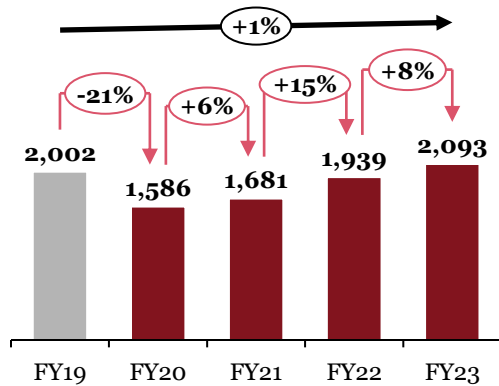


Transmission segment (13 companies)

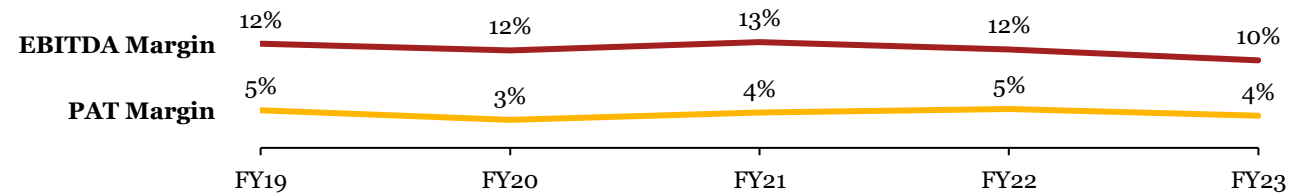
Net Sales (in INR cr.)



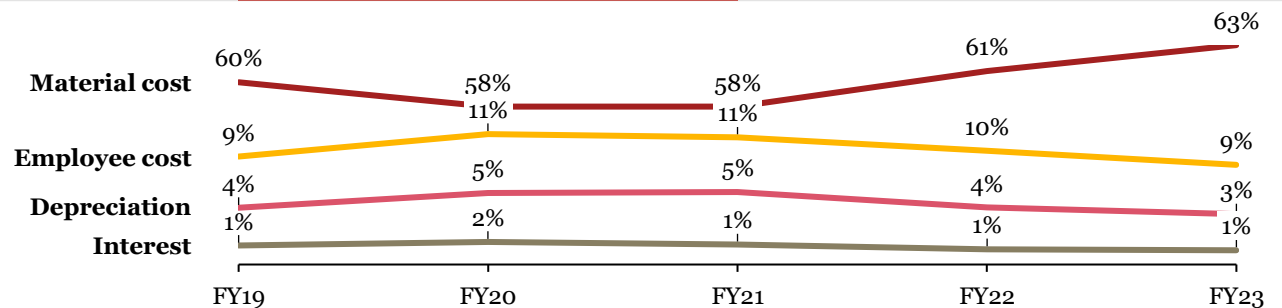
EBITDA (in INR cr.)



Profitability (as % of Net sales)



Costs (as % of Net sales)

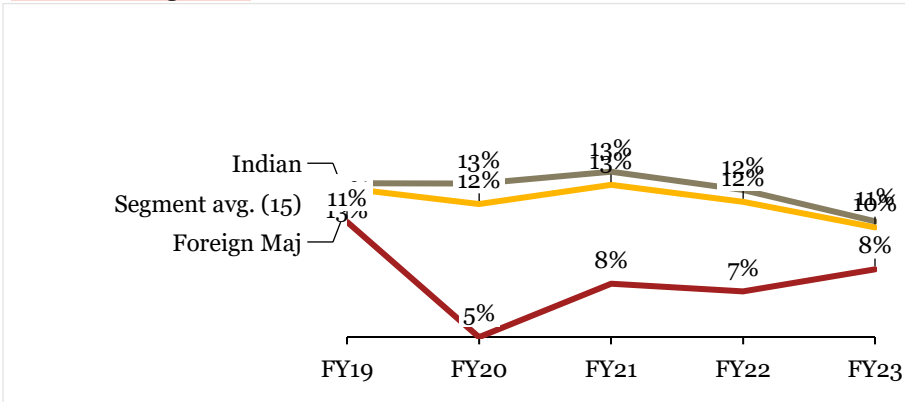


- Net Sales and EBITDA both rose significantly in FY23.
- EBITDA growth was challenged by higher material costs on the back of increases in the price of base metals

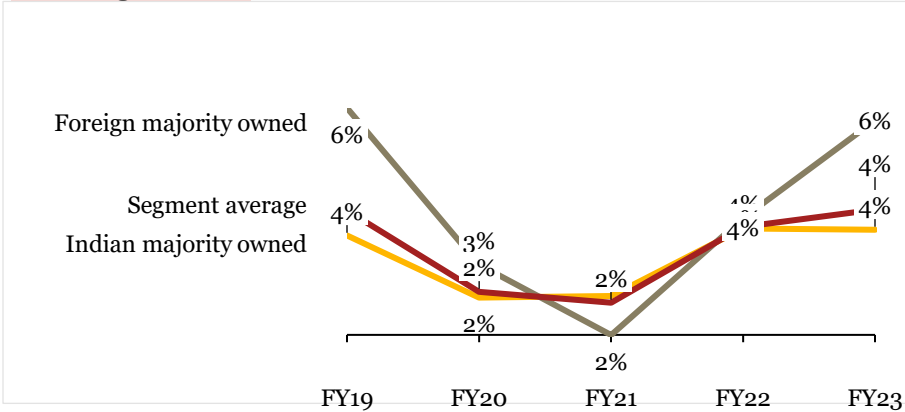
Transmission segment (Indian majority vs. Foreign majority owned)

Profitability (as % of Net sales)

EBITDA Margin

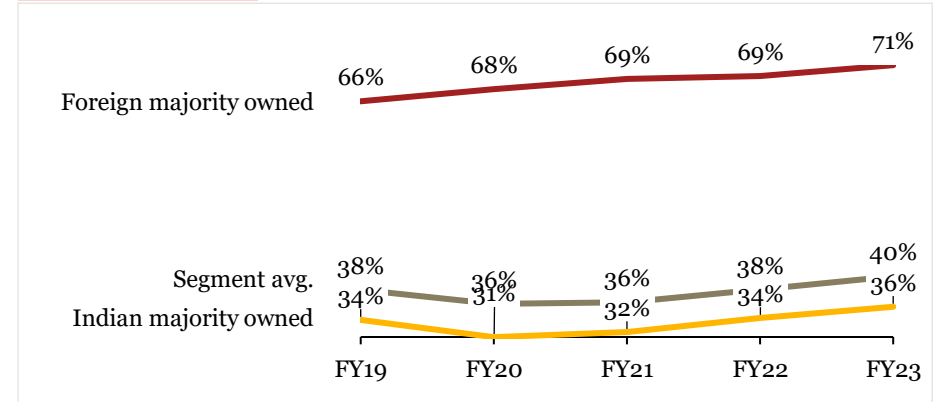


PAT Margin

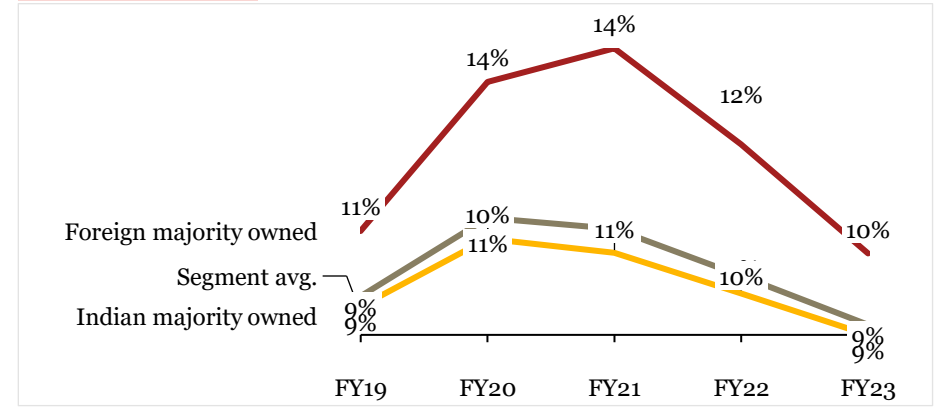


Costs (as % of Net sales)

Material cost

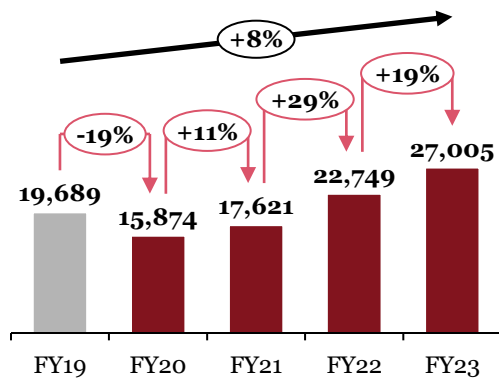


Employee cost

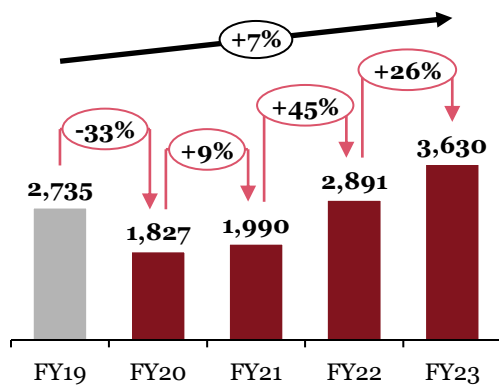


Engine segment (22 companies)

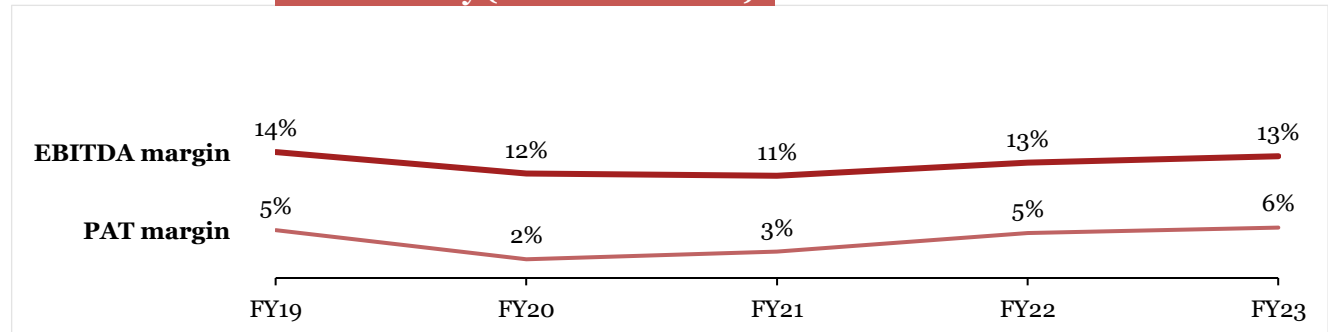
Net Sales (in INR cr.)



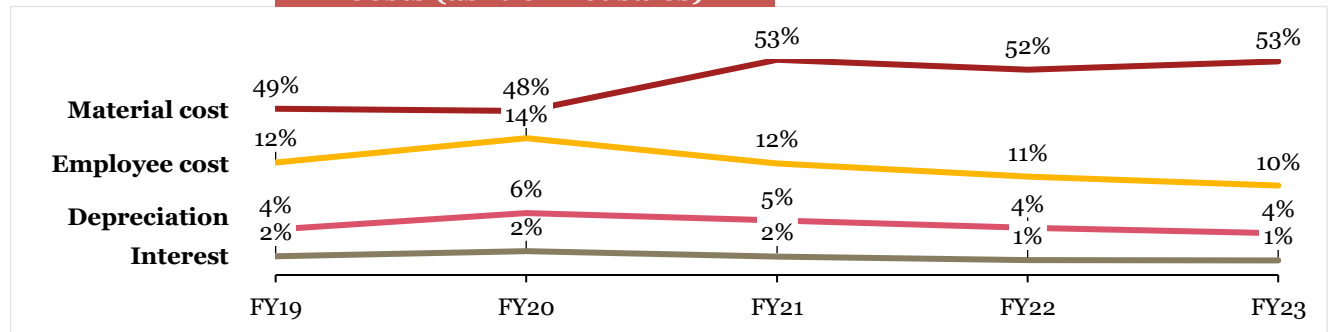
EBITDA (in INR cr.)



Profitability (as % of Net sales)



Costs (as % of Net sales)

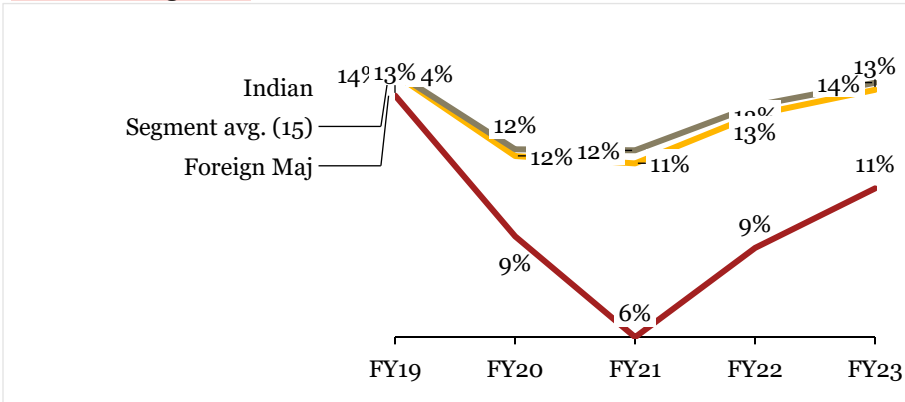


- Net Sales and EBITDA both rose significantly in FY23.
- Higher EBITDA numbers can be attributed to government incentives to boost manufacturing.

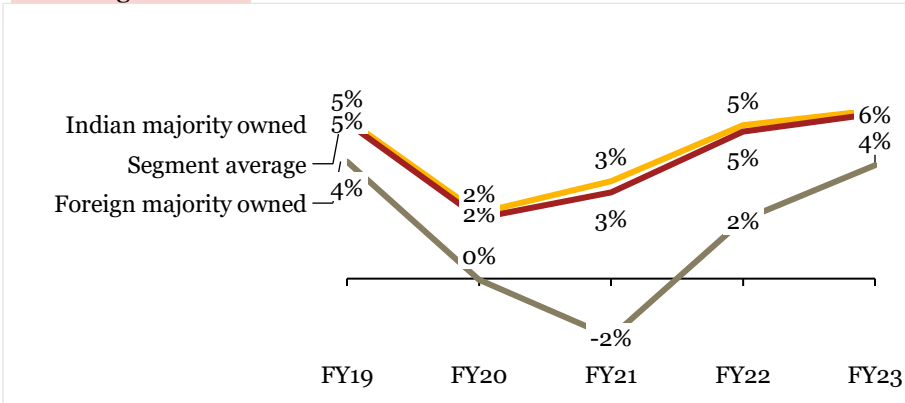
Engine segment (Indian majority vs. Foreign majority owned)

Profitability (as % of Net sales)

EBITDA Margin

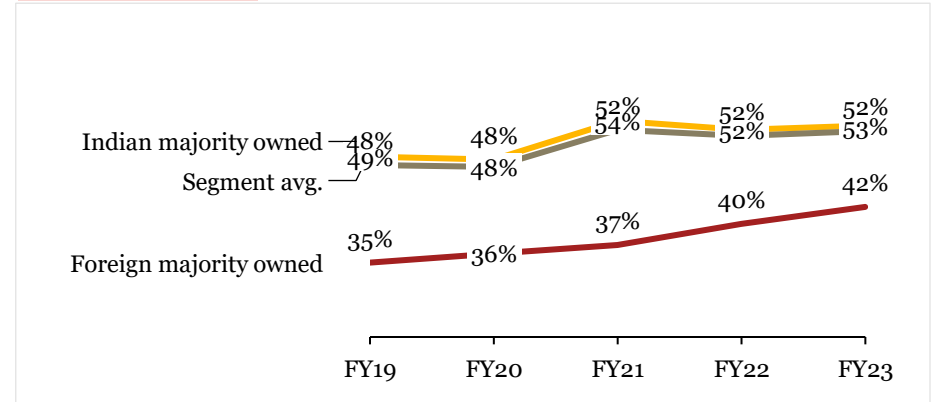


PAT Margin

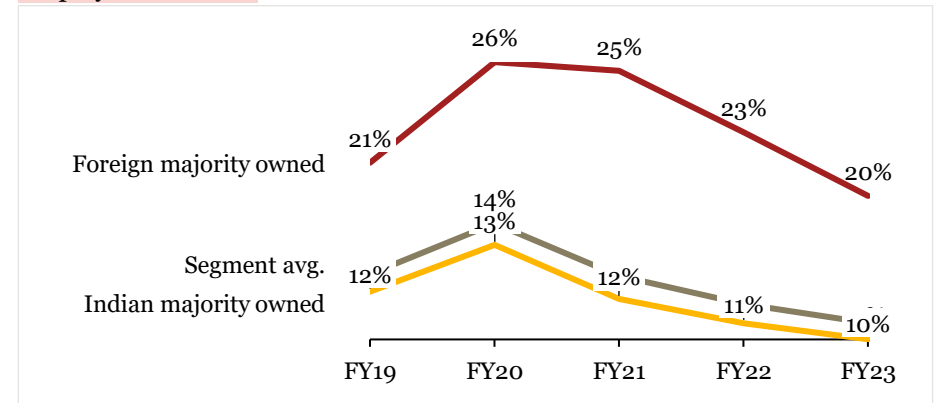


Costs (as % of Net sales)

Material cost

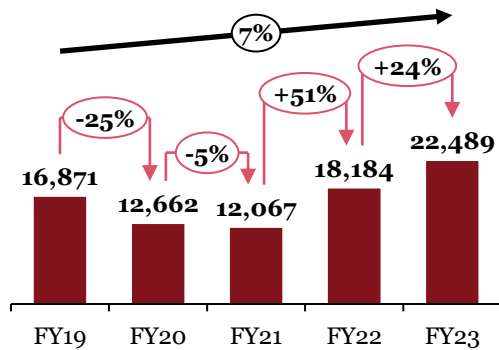


Employee cost

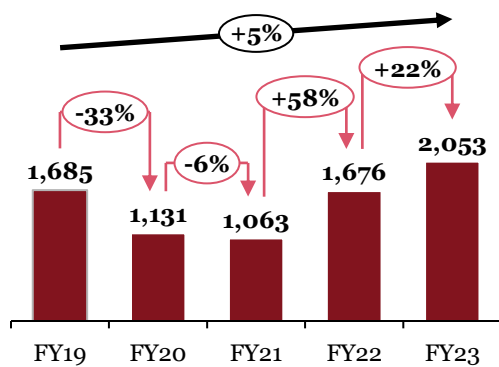


Suspension segment (14 companies)

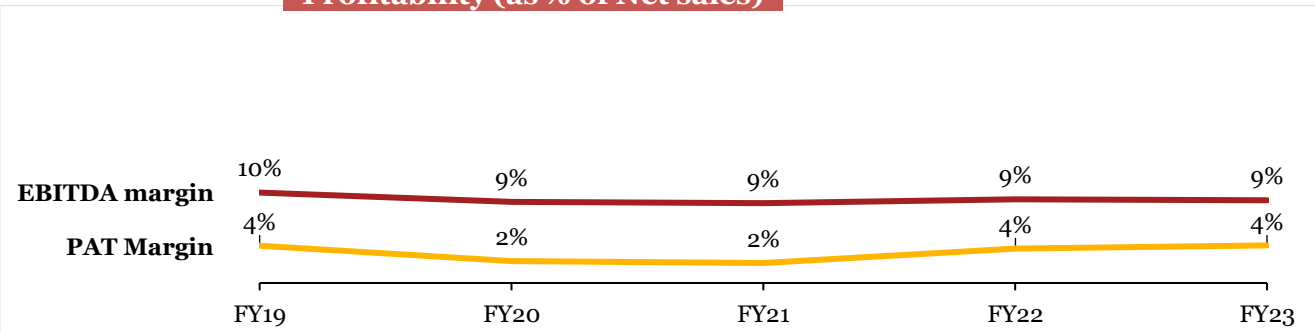
Net Sales (in INR cr.)



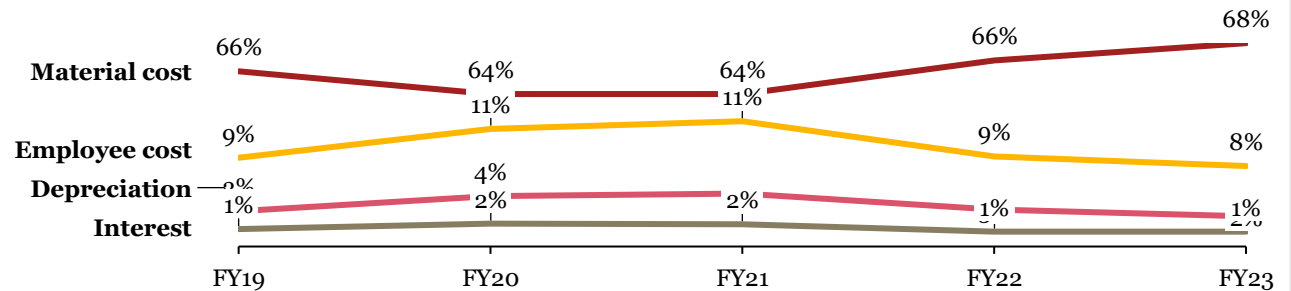
EBITDA (in INR cr.)



Profitability (as % of Net sales)



Costs (as % of Net sales)

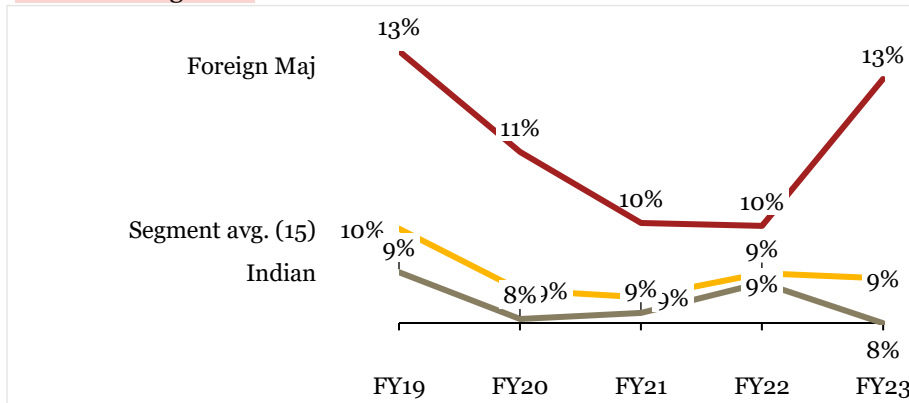


- The Suspension segment saw net sales continue to soar over pre-COVID levels on the back of high volume of sales across the commercial vehicle segment.
- Despite rising raw material costs, cost cutting measures implemented by firms were successful in ensuring that the profitability is maintained.

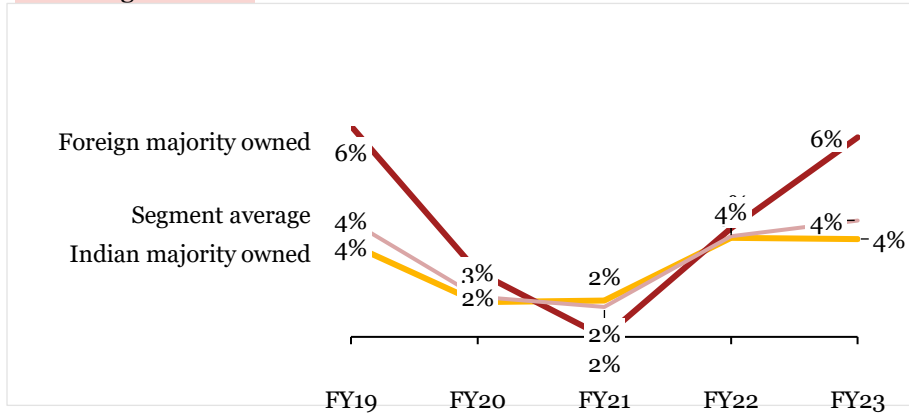
Suspension segment (Indian majority vs. Foreign majority owned)

Profitability (as % of Net sales)

EBITDA Margin

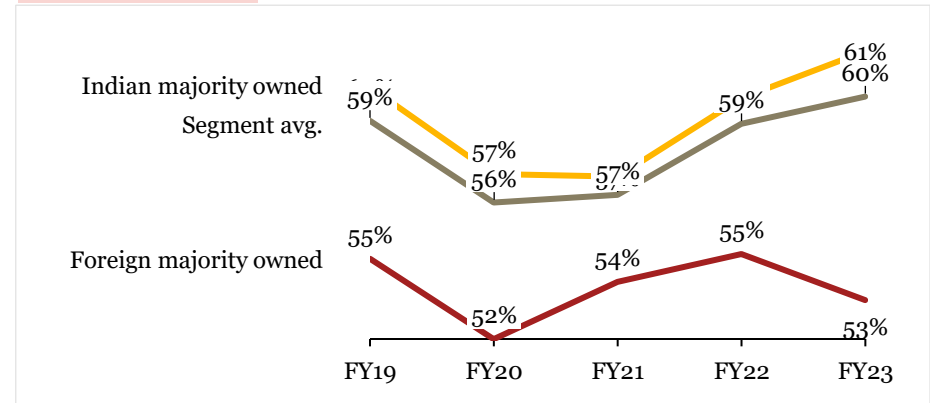


PAT Margin

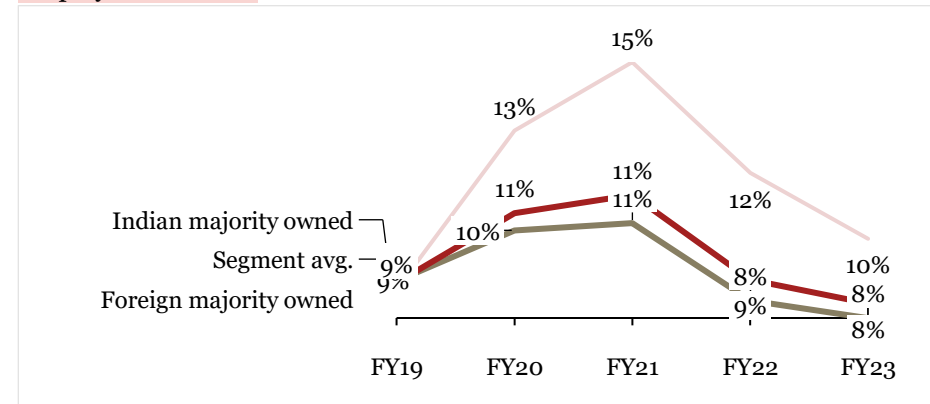


Costs (as % of Net sales)

Material cost

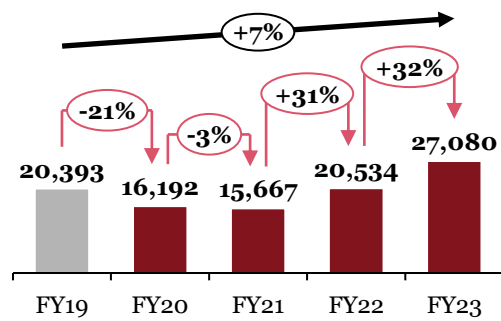


Employee cost

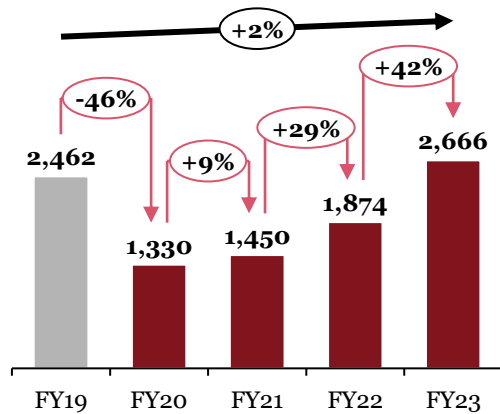


Electrical and Electronics segment (10 companies)

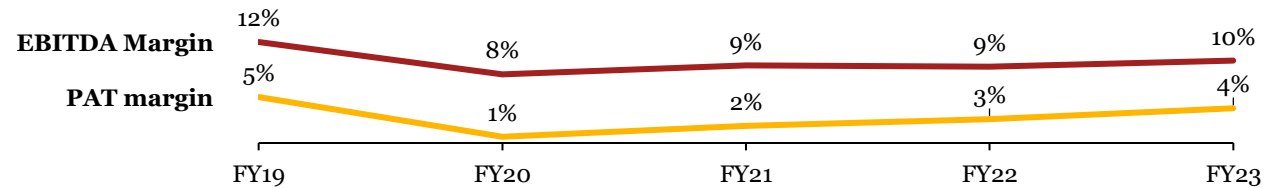
Net Sales (in INR cr.)



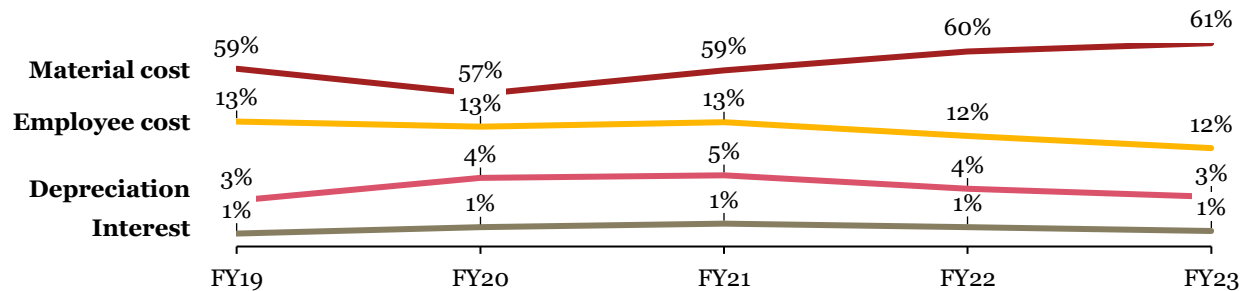
EBITDA (in INR cr.)



Profitability (as % of Net sales)



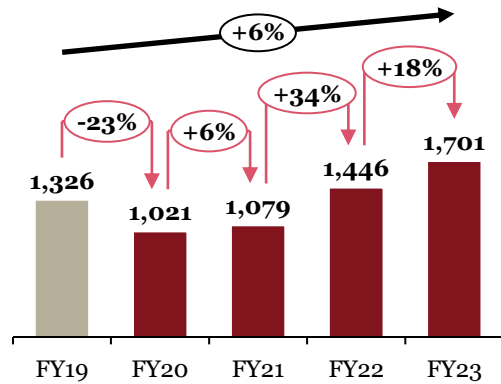
Costs (as % of Net sales)



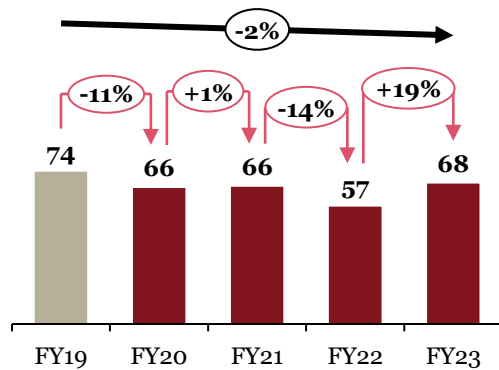
- EBITDA and net sales growth experienced significant growth, with EBITDA surpassing pre-COVID numbers for the first time.
- Although companies tried to reduce fixed costs, key commodity prices continued to rise in the financial year resulting in higher material costs.

Interior segment (3 companies)

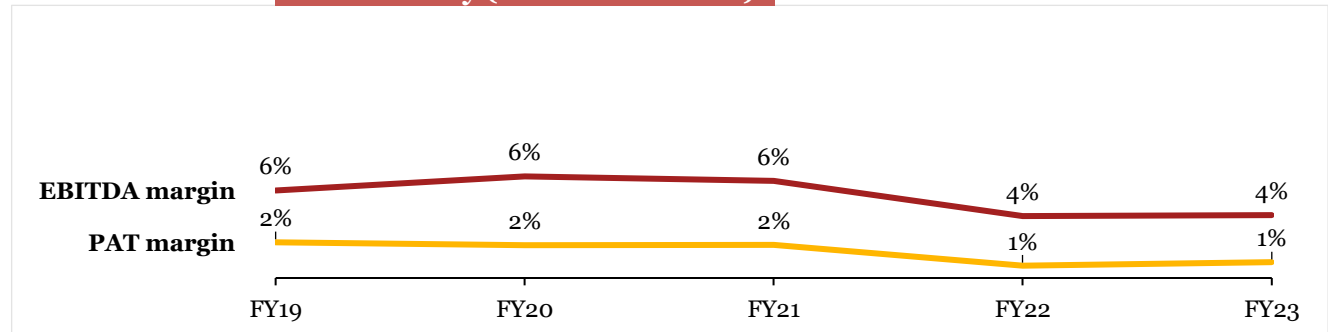
Net Sales (in INR cr.)



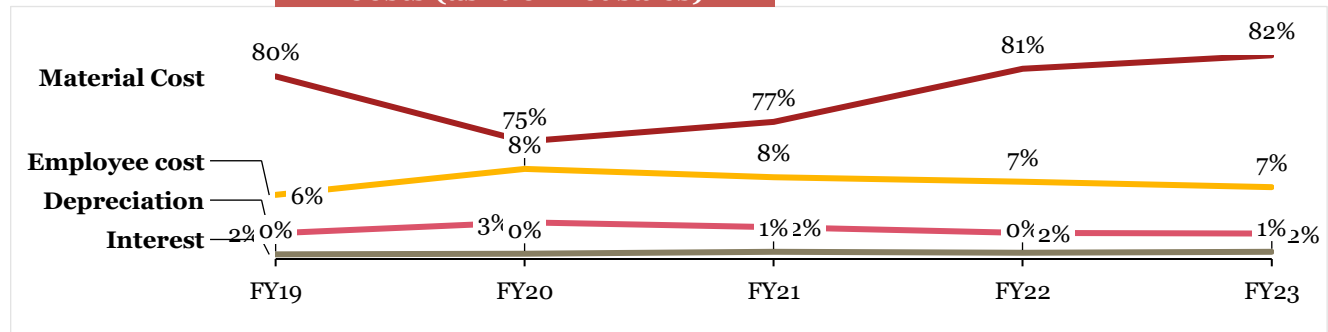
EBITDA (in INR cr.)



Profitability (as % of Net sales)



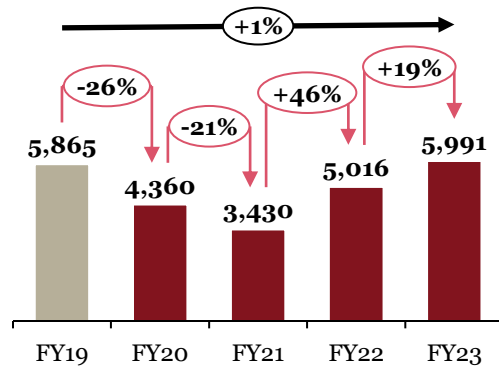
Costs (as % of Net sales)



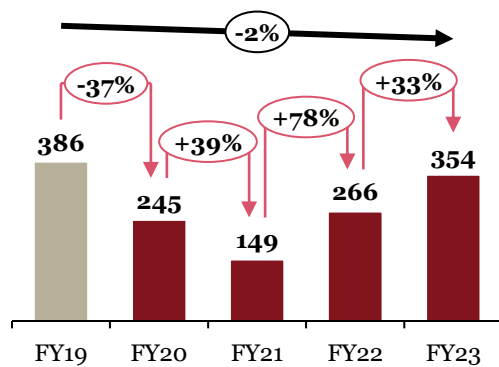
- Net sales and EBITDA continues to improve after gaining momentum post Covid
- Material cost continues to rise as productivity remains constant.

Body and chassis segment (8 companies)

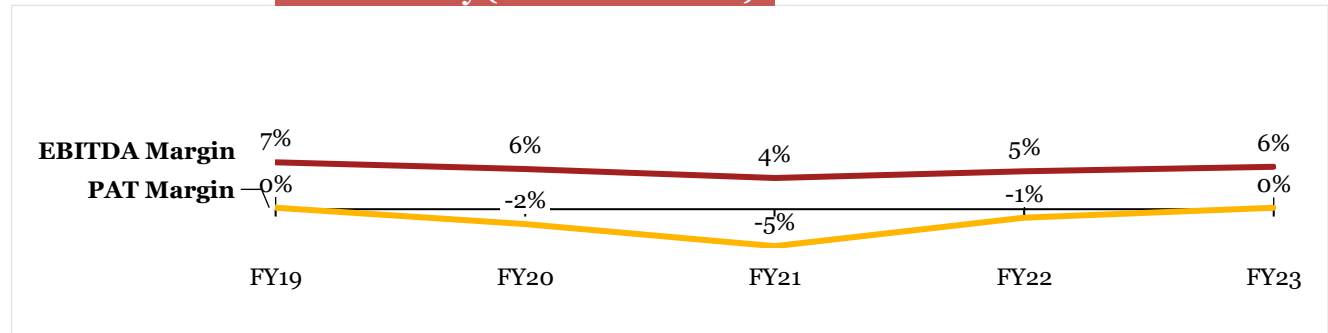
Net Sales (in INR cr.)



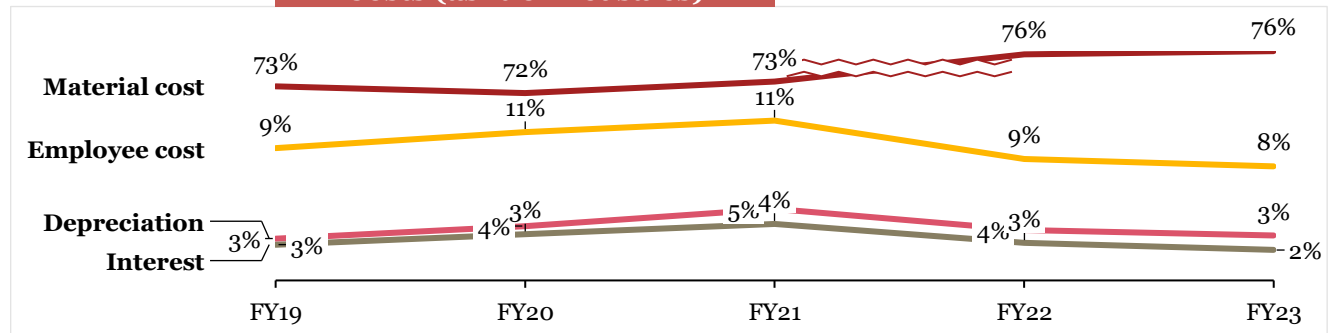
EBITDA (in INR cr.)



Profitability (as % of Net sales)



Costs (as % of Net sales)



- The body and chassis segment continues its growth gaining momentum from previous year.
- Material cost remained relatively stable, while productivity increased as employee costs saw a dip.
- Companies will look cross their pre pandemic EBITDA numbers in the next financial year.

Appendices

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

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



Disclaimer

This document has been prepared solely for *[ACMA] Automotive Component Manufacturers Association of India*, being the express addressee to this document. PwC does not accept or assume any liability, responsibility or duty of care for any use of or reliance on this document by anyone, other than (i) ACMA, to the extent agreed in the relevant contract for the matter to which this document relates (if any), or (ii) as expressly agreed by PwC in writing in advance.

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PwC, its members, employees and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

This publication contains certain examples extracted from third party documentation and so being out of context from the original third party documents; readers should bear this in mind when reading the publication. The copyright in such third party material remains owned by the third parties concerned, and PwC expresses its appreciation to these companies for having allowed it to include their information in this publication. For a more comprehensive view on each company's communication, please read the entire document from which the extracts have been taken. Please note that the inclusion of a company in this publication does not imply any endorsement of that company by PwC nor any verification of the accuracy of the information contained in any of the examples.

This publication contains various companies' forward looking statements, which by their nature involve numerous assumptions, inherent risks and uncertainties, both general and specific, and risks that predictions, forecasts, projections and other forward looking statements will not be achieved. We caution readers of this publication not to place undue reliance on these forward looking statements, as a number of important factors could cause actual future results to differ materially from the plans, objectives, expectations, estimates, and intentions expressed in such forward looking statements.

PwC contacts for ACMA Knowledge Partnership

- Kavan Mukhtyar, Partner & Leader-Automotive, PwC India - kavan.mukhtyar@in.pwc.com / +912261198735
- Akhilesh Oberoi, ACMA Knowledge Partnership Manager – akhilesh.oberoi@pwc.com / +911244620724