

Allison Transmission (NYSE: ALSN)

Sector: Industrials

Industry: Auto Parts



Target Price	Current Price	52 Week High	52 Week Low	P/E	Market Cap	Dividend Yield	Beta
\$54.17	\$45.80	\$52.67	\$40.35	8.57	\$5.35B	1.4%	1.49

Business Description:

Allison Transmission is a manufacturer of automatic transmissions and a leader in electric hybrid propulsion systems. Allison sells their transmissions to OEMs, who in turn sell them to the customer in their vehicle. Allison was a part of GM until 2007, and went public in 2012. ALSN separates their business into six different business segments: North America On-Highway, North America Off-Highway, Outside North America On-Highway, Outside North America Off-Highway, Defense, and Services.

Industry Outlook:

Demand for automatic transmissions has grown over the past three years and is projected to continue to grow. Developing countries such as China and India are most especially growing due to heavy traffic congestion and busy streets. Automatic transmissions are easier to drive in these types of environments. Off-highway markets expected to grow in the next five years due to high growth projections in specific sectors such as fracking and mining.

Management:

- David S. Graziosi-CEO, Director, President
- Rohan Barua-VP North America OEM Sales
- G. Frederick Bohley-CFO, Treasurer, SVP
- John M. Coll-Global Marketing and Sales, SVP

Management stays up to date with current industry trends and positions the company for the future advanced fuel-efficient solutions. They take advantage of current emerging markets globally and balance it with keeping up with sales domestically.

10-Year Stock Performance vs. S&P



Risks:

- **Future growth is dependent on international demand**
 - ALSN may not succeed in achieving dominant market share in international markets
- **Workforce Unionization**
 - 50 % of employees are part of a collective bargaining agreement
- **End market demand relies on demand from cyclical industries**
 - Off-Highway revenues are dependent on industries such as energy, mining, and infrastructure

Competitive Analysis:

ALSN boasts a dominant market share in terms of revenue from its target markets of class 6-8 trucks and school buses. We primarily compete with part manufacturers outside our target market as well as vertically integrated OEM's in our off-highway segment.

Allison Transmission (NYSE: ALSN)



ESG/CSR:

Metric	ALSN	Peer
Employees Unionized % (higher is better)	53.1%	25%
% of Board Members that are Women (higher is better)	22.2%	12.5%
Director Average Age (lower is better)	62	64
Director Meeting Attendance (ALSN is the Med)	75%	75%

