

November 11, 2018

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G
Bandra Kurla Complex,
Bandra (E),
Mumbai- 400051
BSE Scrip Code : 532395

The Manager
Dptt. of Corporate Services
BSE Limited
Floor 25 Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 051
NSE Symbol: AXISCADES

Dear Sir,

Sub.: Q2 & FY 2019 Result Presentation

Please find attached the consolidated results presentation for Quarter and Half Year ended September 30, 2018 of AXISCADES Engineering Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter and half year ended September 30, 2018.

Kindly upload presentation to the terminals.

Yours truly,
For **AXISCADES Engineering Technologies Limited**



Shweta Agrawal
Company Secretary

AXISCADES Engineering Technologies Limited

CIN No.: L72200KA1990 PLC084435

Block 'C', 2nd Floor, Kirloskar Business Park, Bengaluru- 560 024, Karnataka, INDIA Ph: +91 80 4193 9000 Fax: +91 80 4193 9099

Reg. Office : Block 'C', 2nd Floor, Kirloskar Business Park, Bengaluru- 560 024, Karnataka, INDIA

Ph: +91 80 4193 9000 Fax: +91 80 4193 9099 | Email:info@axiscadas.com | www.axiscades.com

Q2 FY19 RESULTS

AXISCADES Engineering Technologies Limited

CIN NO : L72200KA1990PLC084435



AXISCADES

Inspired Solutions. By Design

Disclaimer



Certain statements in this communication may be considered as ‘forward looking statements’ within the meaning of applicable laws and regulations. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Important developments that could affect the Company’s operations include changes in the industry structure, significant changes in political and economic environment in India and overseas, tax laws, import duties, litigation and labour relations.

AXISCADES Engineering Technologies Limited (ACETL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Table of Contents

Company Overview

CEO's Message

Key Highlights

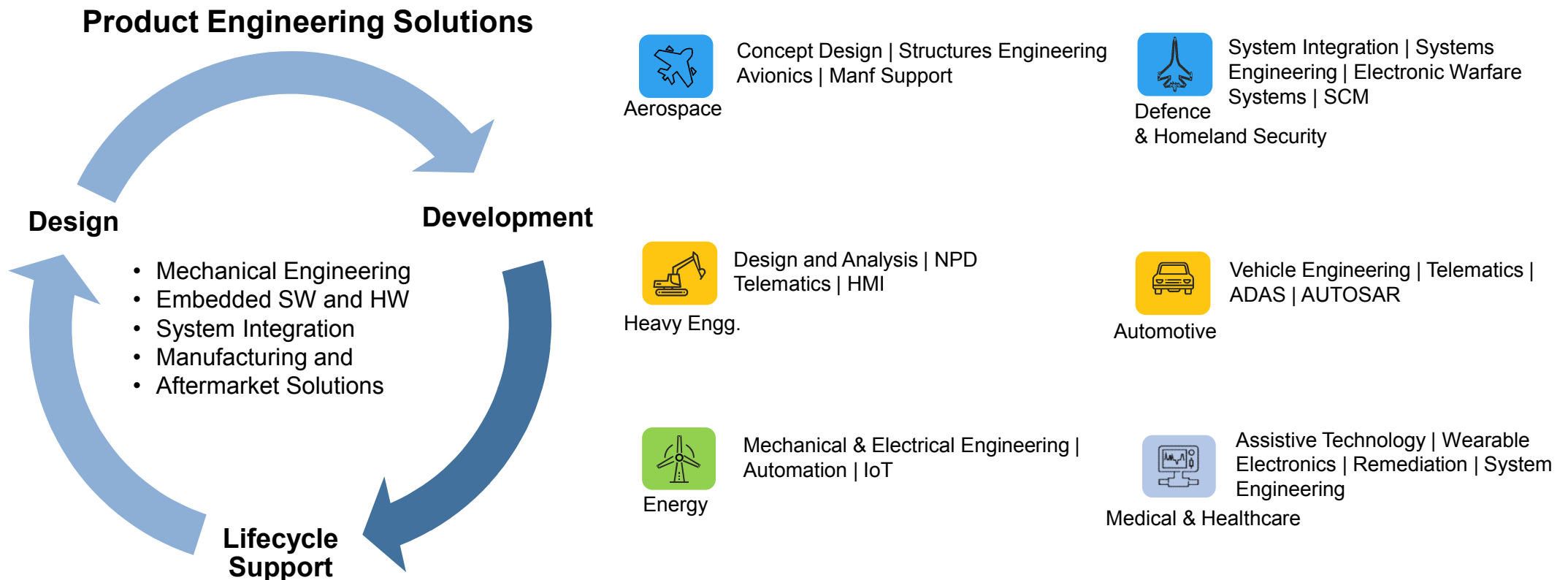
Consolidated Financials

Revenue Segmentation

Annexures

AXISCADES Overview

AXISCADES is a leading Product Engineering Solutions company.



Strategic partner to global OEMs for innovative, sustainable, safer & smarter products.

CEO's Message



Commenting on the Q2 FY19 performance, Mr. Mritunjay Singh, CEO & ED, AXISCADES Engineering Technologies Ltd.,

“We have delivered a strong performance on the back of ramp up of recent deal wins. Top line in INR terms grew 32.8% QoQ and 40.1% YoY in dollar terms. The growth has been broad-based across verticals and geographies, led by the strategic technologies business.”

We are effectively leveraging our domain expertise and competencies in mechanical, electrical, electronics and embedded software, building end-to-end capabilities for our clients which is resulting in a robust pipeline for both existing and new customers. We have added 7 new logos in Q2 FY19 and 16 in H1 FY19, including Fortune 500 companies. These include multiple strategic customers in Industrial and Automotive in Europe and India. We have also signed a multi-year contract with a large German wind energy company. Margins, however, were impacted by a one-off provisioning against receivables from a certain Hi-Tech customer. We do not anticipate any more such provisioning.

With a focus on addressing Industry 4.0 we are forging partnerships in Industrial IoT solutions and AI / ML Technologies. Our newly incubated PLM practice is seeing strong traction.

We are in the process of opening a new facility in Pune to support business expansion. As we enter the second half of the year we are enthused by our prospects and are confident of profitable growth.”

Key Highlights

Financial Highlights Q2 FY19

- ❑ **Consolidated Revenue from Operations at INR 1,628 Mn vs. INR 1,226 Mn in Q1 FY19, higher by 32.8% QoQ and 40.1% YoY**
 - In dollar terms, revenue from operations grew 28.7% QoQ and 29.4% YoY
- ❑ **Operating Income** before extraordinary items for the quarter is 4.9% as against 0.2 % in the immediate previous quarter
- ❑ **PBT** : Increased to INR +4 Mn in Q2 as against INR -104 Mn in Q1; **INR +108 Mn QoQ**
 - Includes Exceptional income of INR 145 Mn due to change in fair value of contingent payables for Mistral acquisition

Business Highlights

- ❑ Added **7 new customer logos** in Q2 and **16** in H1 including Fortune 500 companies.
- ❑ Growth across all geographies, verticals and industries. Engineering services grew by 13.2% QoQ and Strategic technology solutions grew by 152.6% QoQ
- ❑ Multiple Strategic customers acquired in Industrial and Automotive in Europe and India
- ❑ Signed a multiyear Contract with a large German wind energy company
- ❑ New facility to be opened in Pune to service PLM, IoT and Embedded Services expansion

Consolidated Financials

Consolidated Financial Performance – Q2 FY19



Financial Performance			
	Q2 FY19	Q1 FY19	Q2 FY18
Revenue from operations (\$ Million)	\$ 23.3	\$ 18.1	\$ 18.0
<i>In Million Rs</i>			
Revenue from operations	1,628	1,226	1,163
Other Income	11	21	31
Total Income	1,639	1,248	1,194
Employee Expenses	882	795	668
Direct Expenses	299	132	22
Project consultancy Charges	73	67	201
Other expenses	436 *	251	227
Total expenses	1,689	1,245	1,118
Operating Income	(50)	3	76
PBT	4	(104)	14
PAT (Before Minority Interest)	1	(79)	9
PAT (After Minority Interest)	(0)	(80)	8
Basic EPS	(0.01)	(2.13)	0.21
Operating Income %	-3.1%	0.2%	6.4%
PBT %	0.3%	-8.4%	1.2%
PAT % (After Minority Interest)	0.0%	-6.4%	0.7%

* Includes provisioning of INR 130 Mn for a Hi-tech start-up customer in US

Explanatory Notes
<ul style="list-style-type: none"> ❑ Consolidated revenue from operations in INR terms increased by 32.8% Q-o-Q and by 40.1% Y-o-Y ❑ Operating Income before extraordinary items for the quarter is 4.9% as against 0.2 % in the immediate previous quarter <ul style="list-style-type: none"> ➤ Net negative Impact of Forex on P&L is INR 10 Mn mainly due to Foreign currency Loan (Mark to Market) ❑ PBT : Increased to INR +4 Mn in Q2 as against INR -104 Mn in Q1; INR +108 Mn QoQ, <ul style="list-style-type: none"> • Includes One time Exceptional income of INR 145 Mn being fair value re-estimation of contingent liability on Mistral acquisition ❑ PAT before minority interest has improved from a loss of INR 79 Mn to positive INR 1 Mn

Revenue Growth by Vertical



Vertical	Q2 FY19	Q1 FY19	Q2 FY18	QoQ %	YoY%
	INR Mn	INR Mn	INR Mn		
Engineering design services	1,192	1,054	1,070	13.2%	11.4%
Strategic technology solutions	436	173	92	152.6%	371.8%
Total	1,628	1,226	1,163	32.8%	40.1%

Revenue Segmentation

Revenue By Vertical (%)	Q2 FY19	Q1 FY19	Q2 FY18
Engineering design services	73.2%	85.9%	92.1%
Strategic technology solutions	26.8%	14.1%	7.9%

Revenue By Industry (%)	Q2 FY19	Q1 FY19	Q2 FY18
Aerospace	28.0%	32.2%	37.3%
Heavy Engineering & Others *	40.0%	48.2%	41.3%
Automotive and Industrial Products	3.2%	3.3%	4.0%
Energy	2.2%	2.5%	9.4%
Product and Solutions	26.6%	13.8%	8.0%

* Others includes Medical & Semiconductors. Mistral Solutions revenue has been segregated into Heavy Engineering and Strategic Tech Solutions

Consolidated performance for Q2 FY19 and Q1 FY19 includes the performance of Mistral Solutions Private Limited, hence Q2 FY18 ratios are not strictly comparable. Also Product and Solutions vertical revenue varies on account of cyclic pattern of Indian defence Industry

Segmentation has been realigned and regrouped as applicable

Revenue Segmentation

Revenue by Delivery Location	Q2 FY19	Q1 FY19	Q2 FY18
Onshore	40.6%	45.7%	57.8%
Offshore	59.4%	54.3%	42.2%

Revenue by Currency	Q2 FY19	Q1 FY19	Q2 FY18
USD	61.6%	71.9%	69.7%
INR	23.7%	7.1%	5.9%
EUR	6.3%	10.2%	15.0%
CAD	5.1%	6.3%	6.2%
GBP	3.0%	4.1%	3.2%
Others	0.3%	0.4%	0.0%

Consolidated performance for Q2 FY19 and Q1 FY19 includes the performance of Mistral Solutions Private Limited, hence Q2 FY18 ratios are not strictly comparable. Also Product and Solutions vertical revenue varies on account of cyclic pattern of Indian defence Industry

Segmentation has been realigned and regrouped as applicable

Revenue Segmentation

Revenue by Geography	Q2 FY19	Q1 FY19	Q2 FY18
EUROPE	30.4%	37.9%	47.9%
USA	35.2%	42.5%	35.5%
APAC	28.8%	13.3%	10.4%
CANADA	5.6%	6.3%	6.2%

Revenue by Project type	Q2 FY19	Q1 FY19	Q2 FY18
Time and Material	46.7%	56.6%	53.7%
Fixed Price	53.3%	43.4%	46.3%

Consolidated performance for Q2 FY19 and Q1 FY19 includes the performance of Mistral Solutions Private Limited, hence Q2 FY18 ratios are not strictly comparable. Also Product and Solutions vertical revenue varies on account of cyclic pattern of Indian defence Industry

Segmentation has been realigned and regrouped as applicable.

Consolidated Balance Sheet Snapshot

Particulars	30-Sep-18	31-Mar-18
	(INR Mn)	(INR Mn)
Net Worth	2867	2917
Total debt	1503	1378
- Long term loan	618	726
- Working Capital	886	652
Net debt (Total debts – Free Cash)	1073	759
Trade payables	398	500
Fixed assets (Net of Depreciation)	3469	3437
Capital work-in-progress	5	5
Cash and cash equivalents	430	619
Trade receivables	1,810	1,659

Annexures

Note on Receivables overdue

More than 180 Days - INR 73 Mn (Including Government)

More than 180 Days - INR 10 Mn (Excluding Government)

About AXISCADES Engineering Technologies Ltd.



AXISCADES is India's leading product engineering solutions company catering to the futuristic needs of aerospace, defence, heavy engineering, automotive, energy, medical & healthcare sectors. Its proven technology products and services, coupled with industry best practices, enable global OEMs to create innovative, sustainable, safer and smarter products.

The company has more than 2,300 engineers worldwide, offers solutions in mechanical engineering, embedded software and hardware, system integration, manufacturing and aftermarket solutions across domains addressing every stage of product lifecycle development. Headquartered in Bengaluru, AXISCADES has 14 engineering centers worldwide including North America, Europe and Asia.

For further information, please contact:

Kaushik Sarkar

AXISCADES Engineering Technologies Ltd.
Kirkoskar Business Park, Block 'C', 2nd Floor, Hebbal,
Bangalore – 560 024, India
Tel: +91 80 4193 9000
Email : investors.relations@axiscades.com

Gavin Desa / Varun Divadkar

CDR, India
Floor 2, Motlibai Wadia Bldg, Horniman Circle, Fort,
Mumbai 400 001
Tel: +91 22 6645 1237 / 9763702204
Email: gavin@cdr-india.com / varun@cdr-india.com

Abbreviation and Key Terms

Key Terms	Explanation
Operating Margin	Earning before Interest and taxes is calculated from Financial statement as per Regulation 33 of the Listing Regulations.
Total Income	Revenue is Total Income from operations as mentioned in Financial statement as per Regulation 33 of the Listing Regulations.
Gross Margin	Revenue less salary and staff welfare cost of direct engineers and any other project delivery expenses (includes travel, hardware and software).
G&A Expenses	General and Administrative expenses, not directly attributable to delivery and sales.
PBT	Profit before Tax
PAT, Net Profit	Profit after Taxes and Minority Interest
EPS	Earning Per share
Net Worth	Share holders Fund
Capital Employed	Share holders Fund plus long term loans

Thank You