

August 04, 2023

The Manager
Listing Department
BSE Limited
Phirozee Jeejeebhoy Tower,
Dalal Street
Mumbai 400 001
BSE Scrip Code: 532395

The Manager
Listing Department
The National Stock Exchange of India Limited
Exchange Plaza, 5 Floor, Plot C/1, G Block
Bandra – Kurla Complex, Bandra(E),
Mumbai 400 051
NSE Symbol: AXISCADES

Dear Sir/Madam,

Sub: Q1 FY24 Results Presentation

Please find attached the consolidated results presentation for quarter ended June 30, 2023 of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter ended June 30, 2023.

Kindly upload presentation to the terminals.

Yours faithfully,
For **AXISCADES Technologies Limited**

Sonal Dudani
Company Secretary & Compliance Officer

Encl: A/a

AXISCADES Technologies Limited
(Formerly AXISCADES Engineering Technologies Limited)
CIN No.: L72200KA1990PLC084435

Reg. Office: Block C, Second Floor, Kirloskar Business Park, Bengaluru - 60024, Karnataka, INDIA
Ph: +91 80 4193 9000 | Fax: +91 80 4193 9099 | Email: info@axiscades.com | www.axiscades.com



Q1 FY24
INVESTORS PRESENTATION



AXISCADES Technologies Limited
CIN NO : L72200KA1990PLC084435

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 Technologies Limited (ACTL) 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.

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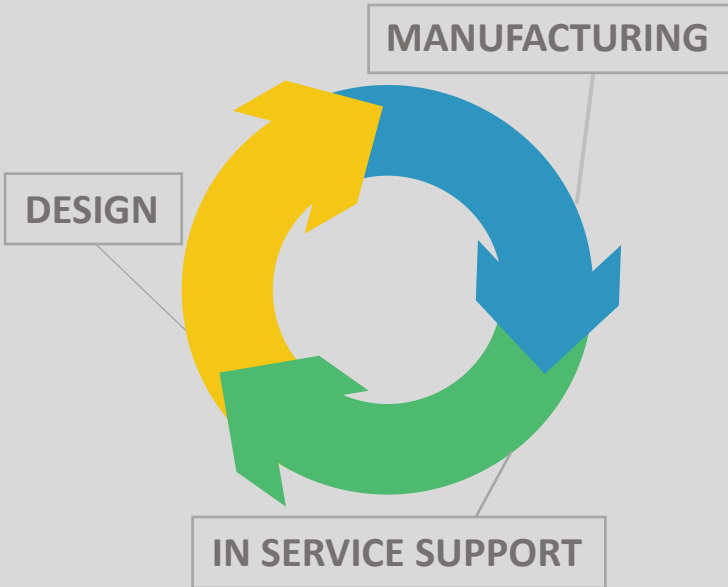
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AXISCADES Overview

AXISCADES is a **Technology Company** focusing on **Product Engineering Solutions**, serving **Global OEMs**



- Mechanical Engineering
- Embedded SW and HW
- System Integration
- Digitization
- Manufacturing and
- Aftermarket Solutions

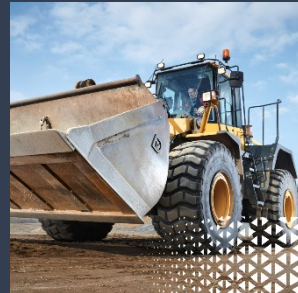
AEROSPACE

- Design & Analysis - Primary & Secondary Structures, Aircraft Interiors
- MSI and ESI, Electrical harness
- Manufacturing Engineering
- In-Service support - Repairs



DEFENCE & HOMELAND SECURITY

- Avionics, Radar/EW, C4I2
- Automated Test Solutions
- Simulators, UAVs
- GSE/GHE
- System Integration
- Offset Management



HEAVY ENGG.

- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing



AUTOMOTIVE

- Design, Analysis
- BIW/CIW
- Interior & Exterior
- Engines, Powertrain
- Cost Optimization & Localization

ENERGY

- Design, Analysis - Tower, Generator, Hub, Spinner, Nacelle, Yaw, Blade
- Mechanical & Electrical Routing
- Wind Resource Analysis
- Advanced FE Simulations



MEDICAL & HEALTHCARE

- Health Monitoring Devices
- Infusion Pumps & Insulin Delivery
- Product Sustenance
- Regulatory Compliance





Message from Management

Commenting on the results and outlook, Mr. David Bradley, Chairman of AXISCADES said:

“We have started fiscal year 2024 on firm footing, recording a revenue growth of 17% and EBITDA growth by 45% Year on Year. The recent acquisition of add solution GmbH will give us access to global OEMs and help us expand our product offerings to the automotive industry. Over the past few years, we have acquired businesses that have helped us to expand into new segments and grow our market share. These acquisitions have been accretive to our earnings and have helped us to achieve our long-term growth goals. A strategic refinancing of our long-term debt will allow us to invest more in our growth initiatives and further expand our bottom line. We have a strong, growing team in place that is focused on executing our growth strategy to generate value for all stakeholders.”



Message from Management

Commenting on the results and outlook, Mr. Arun Krishnamurthi, CEO & MD of AXISCADES said “We are building upon the strong momentum generated in FY23. The fiscal 2024 has started with two key achievements, a cross-border acquisition of add solution GmbH and refinancing of our debt. We believe that the acquisition will be a significant driver of growth for our automotive business. The refinancing will lower our interest costs, and optimize our capital structure, resulting in a robust balance sheet. During the quarter, we saw remarkably higher contribution from Aerospace vertical and we continued to gain wallet share from our clients in the defense sector, adding significantly to our topline. Our new businesses win continue to show positive momentum. We are excited about the opportunities that lie ahead of us and aim to execute our objectives further aided by increased financial flexibility and create value for all stakeholders.”

Key Highlights for Q1 FY24

- Q1 FY24 USD revenue at \$26.2 Mn, growth of 11.0% Y-o-Y
- Q1 FY24 Revenue at INR 2,136 Mn, growth of 16.6% Y-o-Y
- Q1 FY24 EBITDA at INR 330 Mn, up by 45.1% with EBITDA Margin at 15.4% compared to 12.4% in Q1 FY23;
Improved by 300 bps Y-o-Y
- Q1 FY24 EBITDA at INR 330 Mn, up by 7.4% Q-o-Q on normalized EBITDA of INR 307 Mn in Q4FY23 (adjusted for net one-time benefit of INR 133 Mn in Q4 FY23). EBITDA Margin at 15.4%, compared to EBITDA margin 13.7%; **Improved by 170 bps Q-o-Q**
- Q1 FY24 PAT at INR 57 Mn, compared to INR (317) Mn in Q1 FY23
- Strong order pipeline in defense vertical
- Signed definitive agreement for acquisition of add solution GmbH to gain access to automotive OEMs and enhance footprint in automotive vertical
- Appointed as Non-Executive & Non-Independent Director: Dr S. Christopher, has served as the Secretary to the Department of Defence, Ministry of Defense, Government of India, Chairman of the Defence Research and Development Organization (DRDO), Director of the Centre for Airborne Systems, Group Director at Electronics and Radar Development Establishment (LRDE) and is presently engaged as a professor of practice in the Department of Electrical Science at the Indian Institute of Technology Madras.

Consolidated Financial Performance – Q1 FY24

Particulars (INR Mn)	Q1 FY23	Q4 FY23	Q1 FY24
Revenue	1,833	2,232	2,136
Other Operating Income	10	28	10
Other Income	27	11	17
Total Revenue	1,869	2,271	2,163
Cost of Material consumed	430	521	396
Employee Benefit Exp	878	854	1,089
Other Expenses	297	417	322
Reported EBITDA	227	440	330
Adjusted EBITDA*	227	307	330
Adjusted EBITDA Margin	12.4%	13.7%	15.4%
Depreciation and Amortization	64	67	71
EBIT	164	373	259
EBIT Margin	8.8%	16.7%	12.1%
Finance cost	18	141	201
Profit before non-controlling interest / share in net profit of associate / Exceptional items	182	270	85
Share in net Profit/(Loss) of associate	-	-	-
Exceptional Items	-444	-	-
Tax	54	109	28
PAT	-317	160	57
PAT Margin	-17.0%	7.1%	2.6%
EPS	-8.38	4.17	1.47

*During Q4FY23, the Company received INR 211 Mn from US Government as payroll subsidy for Covid in our US entity. The Company also took an additional charge of INR 56.5 Mn in consolidated financial results, on account of share warrants to be issued by Mistral Solutions and INR 21.2 Mn as additional ESOP charge, resulting in a net onetime benefit of INR 133 Mn, which forms part of EBITDA. The impact is INR 133 Mn for Q4FY23. Excluding the net onetime benefit, the EBITDA for Q4FY23 stands at INR 307 Mn (13.7%).

Key highlights Q1 FY24 Y-o-Y

- Strong Revenue growth of 16.6% driven by double digit growth in Aerospace, Automotive and Defence vertical
- EBITDA stands at INR 330 Mn; 15.4%, improved by 300 bps from 12.4% in Q1 FY23, driven by Improvement in operating metrics
- PAT stands at INR 57 Mn compared to INR (317 Mn) in Q1 FY23.

Key highlights Q1 FY24 Q-o-Q

- Revenue de-growth of 4.3%, due to lumpiness and back-ending of defense business
- EBITDA stands at INR 330 Mn; 15.4%, improved by 170 bps (Excluding the net one time benefit of INR 133 Mn received in Q4 FY23)
- In Q1 FY 24, company has incurred additional finance cost of INR 67.4 Mn towards the pre-closure charges for re-financed loan.

Revenue Details Q1 FY24

Revenue	Q1 FY23	Q4 FY23	Q1 FY24	Q-o-Q	Y-o-Y
US\$ Mn	\$ 23.6	\$ 27.7	\$ 26.2	-5.4%	11.0%
INR Million	1,833	2,232	2,136	-4.3%	16.6%

Revenue by Vertical	Q1 FY23	Q4 FY23	Q1 FY24	Q-o-Q	Y-o-Y
Engineering Design Services	72.2%	67.2%	71.3%	0.8%	15.0%
Strategic Technology Solutions	27.8%	32.8%	28.7%	-16.9%	20.3%

Revenue by Industry	Q1 FY23	Q4 FY23	Q1 FY24	Q-o-Q	Y-o-Y
Aerospace	26.9%	28.0%	29.8%	2.2%	29.4%
HEG & Others	23.0%	18.1%	18.5%	-2.4%	-6.6%
Product Engineering Services	16.9%	12.9%	14.4%	6.9%	-0.6%
AIP	3.2%	5.5%	6.2%	9.4%	128.5%
Energy	2.2%	2.2%	2.3%	0.2%	24.6%
Products and Solutions	27.8%	33.2%	28.7%	-16.9%	20.3%

Revenue By Geography	Q1 FY23	Q4 FY23	Q1 FY24	Q-o-Q	Y-o-Y
Europe	40.1%	28.3%	33.5%	13.4%	-2.7%
USA	34.4%	28.1%	30.9%	5.5%	4.7%
APAC	21.4%	38.5%	31.1%	-22.5%	69.6%
Canada	4.1%	5.0%	4.5%	-14.6%	28.6%

Revenue by Location	Q1 FY23	Q4 FY23	Q1 FY24
Offshore	74.9%	76.3%	76.6%
Onsite	25.1%	23.7%	23.4%

Revenue by Project	Q1 FY23	Q4 FY23	Q1 FY24
Fixed Price	60.1%	65.8%	64.2%
Time & Material	39.9%	34.2%	35.8%

Key Takeaways

- Overall revenue growth 16.6% Y-o-Y, in INR terms majorly driven by increased traction mainly in our newer vertical Automotive and Energy and increased wallet share in existing vertical Aerospace and Products and Solutions (Defence)
- Engineering Design has grown by 15.0% Y-o-Y mainly due to growing contribution from existing customers in Aerospace, and ramp up in revenue from recently added clients in AIP and Energy verticals
- Strategic Technology Solutions has delivered a strong growth of 20.3% Y-o-Y on account of strong recovery in sub-segments
- Aerospace continues to grow and is up by 29.4% Y-o-Y. The growth is on account of executing our long-term enhanced contract with Airbus
- Muted performance in the HEG segment attributable to lower offtake & delayed/deferred client projects
- AIP grew by 128.5% Y-o-Y driven by expected ramp up in recently added clients in the areas of Embedded, mechanical and Hardware
- Products and Solutions (Defense) vertical has delivered growth of 20.3% Y-o-Y
- All geographies except Europe have grown

Business Performance and Outlook

Aerospace

The Aerospace vertical grew by 29.4% Y-o-Y. This vertical is showing growth since last 10 quarters. The outlook of this vertical is positive on account of newer services offering to existing clients in newer locations. The synergies between AXISCADES and Mistral are showing positive result and the discussion is in progress on supporting Indian Defense project on mechanical side. The availability of skilled resources continue to remain challenging.

Heavy Engineering (HEG)

Heavy Engineering Business remained flat during the year, due to macro-economic factors. As part of our digital first strategy, we have onboarded digital and analytics specialist and we are hopeful that FY24 will be a growth year for the Company in this vertical. We will continue to invest in digital competencies to increase the digital revenue from US market.

AIP & Energy

Automotive vertical witnessed strong growth of 128.5% Y-o-Y, driven by expected ramp up of recently added clients in this vertical. Recent acquisition of add Solutions GmbH will strengthen the service offerings in this vertical and provide access to Global automotive OEMs.

The Energy Vertical registered a 24.6% growth Y-o-Y. We continue to invest in this vertical to acquire new talent with requisite skills to cater to future growth potential. Going forward, automotive and energy verticals will constitute significant portion of our revenue.

Product Engineering Services

Product & Engineering services business, under Mistral, remained flat Y-o-Y. Government push for Make in India for semiconductor sector will open new opportunities and we will have competitive advantage in design services. The increasing adoption of electronic components in the automotive vertical is of significant potential for revenue growth.

Product & Solutions (Defense)

Revenue from Product and Solutions has grown 20.3% Y-o-Y. With the strengthening of partnership between DRDO and private defence companies, there is a new opportunity to accelerate development and field deployment. We also see potential to export defence systems and sub systems, going forward. We continue to invest in the design phase to build a strong pipeline for the future.

About AXISCADES Technologies Ltd.

AXISCADES is a leading, end to end technology and engineering solutions provider aiding creation of innovative, sustainable and safer products worldwide. Headquartered in Bangalore with subsidiaries in USA, UK, Canada, Germany, India and China; and offices in Germany, France, Denmark, USA and Canada.

AXISCADES has a diverse team of over 2,800 professionals working across 17 locations across North America, Europe, UK and Asia-Pacific, striving to reduce the program risk and time to market. The company offers Product Engineering Solutions across Embedded Software and Hardware, Digitisation and Automation, Mechanical Engineering, System Integration, Test Solutions, Manufacturing Engineering, Technical Publications, and Aftermarket Solutions.

The solutions comprehensive portfolio covers the complete product development lifecycle from concept evaluation to manufacturing support and certification for Fortune 500 Companies in the Aerospace, Defense, Heavy Engineering, Automotive, Medical Devices & Industrial Product industries. The company is known for its robust system of certifications and best practices that address customer requirements and domain expertise.

For further information, please contact:

Shishir Gahoi

AXISCADES Technologies Ltd.
Kirloskar Business Park, Block 'C', 2nd Floor, Hebbal,
Bangalore – 560 024, India
Tel: +91 80 4193 9000
Email : Shishir.Gahoi@axiscades.in

orientcapital

Nachiket Kale / Rajesh Agrawal
Tel : +91 9920940808 / +91 9967491495
Email : nachiket.kale@linkintime.co.in
rajesh.agrawal@linkintime.co.in