

February 14, 2024

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: Q3 FY24 Result Presentation

Please find attached the consolidated results presentation for quarter and nine months ended December 31, 2023, of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter and nine months ended December 31, 2023.

Kindly upload presentation to the terminals.

Yours faithfully,

For **AXISCADES Technologies Limited**

Sonal Dudani
Company Secretary & Compliance Officer

Encl: A/a

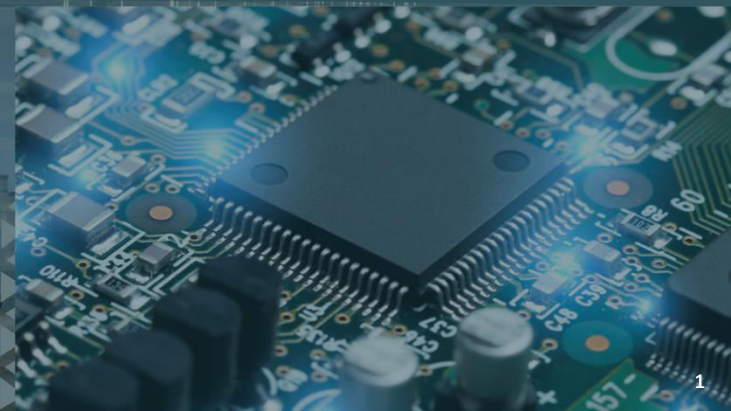
AXISCADES Technologies Limited

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

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Q3 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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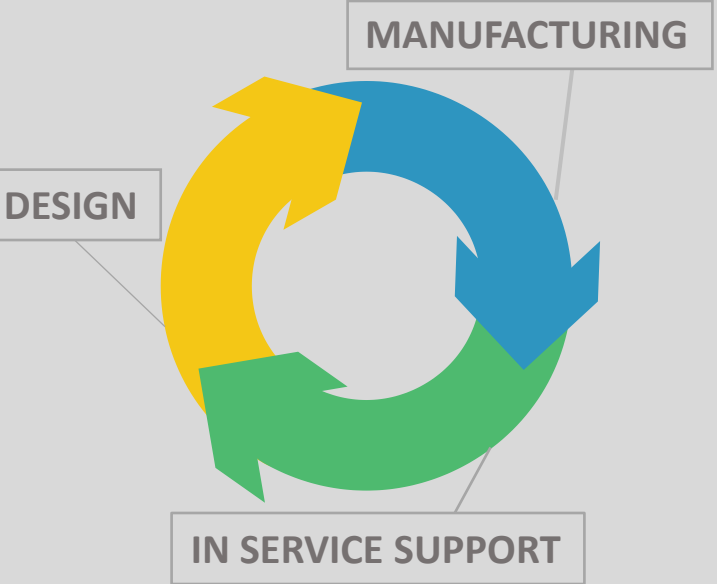
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AXISCADES Overview

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

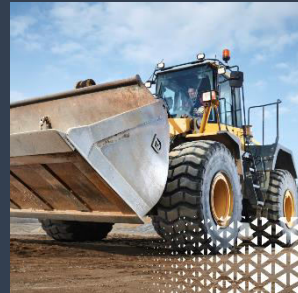
AEROSPACE

- 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



Strategic partner to global OEMs for **Innovative, Sustainable, Safer & Smarter** Products



Message from Management

Commenting on the results and outlook, Mr. Abidali Neemuchwala, Chairman of AXISCADES said:

“AXISCADES delivered a Y-o-Y revenue growth, on the back of lumpiness in defence business and is poised to leverage on the investments made in strategic acquisitions and digital capabilities. Our recent Equity Raise of INR 220 Crores was a stupendous success, and will strengthen the balance sheet, improve profitability and will lead to growth and margin expansion. We are diversifying into new verticals, such as Energy and Automotive, through strategic acquisitions and thereby enhancing our capabilities, which will add to the depth of our offerings along with strong positioning in the global as well as domestic market. I am excited for the journey ahead for us and confident in our ability to realize our vision for AXISCADES as a Global Leader in Engineering and Technology solutions.”



Message from Management

Commenting on the results and outlook, Mr. Arun Krishnamurthi, CEO & MD of AXISCADES said:

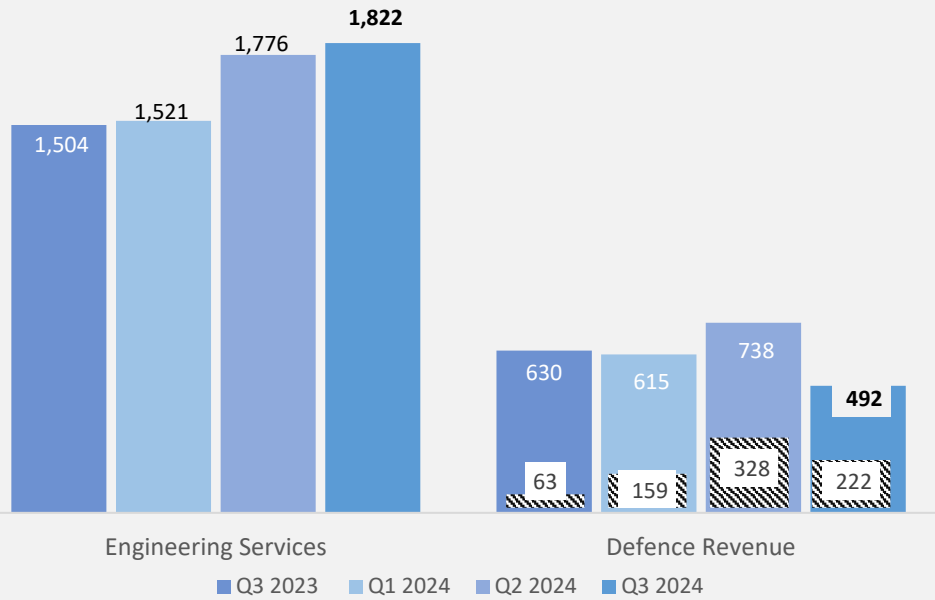
“We are delighted to report a broad-based performance in revenue and financial results. During the quarter, we saw higher contribution from Aerospace vertical, which grew by 27% Y-o-Y. The defence business during the quarter dropped due to its lumpiness, which is typical to the industry. The order book for coming quarters from the defence vertical remains strong. Our nascent entry into Energy and Automotive is gaining momentum, which will continue to grow in the coming quarters. During the quarter, We completed the acquisition of EPCOGEN, which will provide a strong impetus to the company's growth in the Energy sector and provide access to Middle East and North American energy markets.

The proceeds of our recent Equity Raise, by way of Qualified Institutional Placement, attracted marquee Institutional Investors, which shows their confidence in the growth prospects of the Company. The proceeds of the equity raise will be utilized to repay borrowings and investing in developing new capabilities and building new partnerships to leverage on emerging technologies. We will continue to work on our objective to continue to generate long-term value for all our stakeholders.”

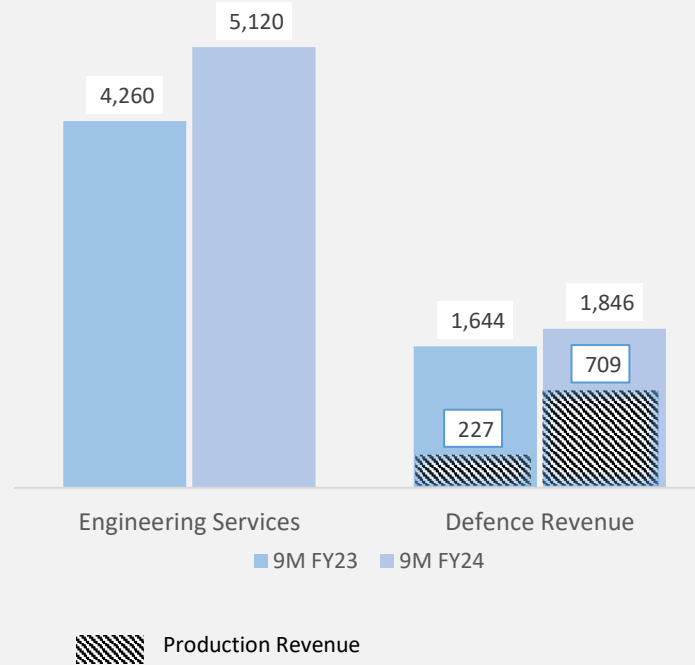
Revenue Breakup for Q3 FY24 & 9M FY24

INR Mn.

Q3'24 Revenue Performance



9M FY24 Revenue Performance



Key Highlights for Q3/9M FY24

- Engineering Services Business in FY24, is showing consistent growth Q-o-Q. For 9M FY24, Engineering Services Business grew by 20%, as compared to previous year from INR 4,260 Mn to INR 5,120 Mn
- Defence, which constitutes, 26% of Company's Revenue mix, always reflects Q-o-Q variability, typical to the industry, which impacts both enterprise consolidated revenue and profitability
- Certain Production Orders in Defence were re-scheduled to Q4 FY24. As a result, Defence Production Revenues, which carry significantly higher margins, was lower in Q3 FY24 at INR 222 Mn, as against INR 328 Mn in Q2 FY24
- For 9M FY24, Defence Revenues Grew by 12% YOY from INR 1,644 Mn to INR 1,846 Mn. The Production Revenues in Defence, significantly increased, by 3X from INR 227 Mn to INR 709 Mn
- The Company's PAT for Q3 FY24 stands at INR 75 Mn as against loss of INR (102) Mn in Q3 FY23. The Company's PAT for 9M FY24 stands at INR 244 Mn against loss of INR (208) Mn in the previous year.

Key Highlights for Q3 FY24

- The Company successfully concluded the Equity Raise of INR 220 Crores in January 2024, with marquee Institutional Investors subscribing to the issue. This will strengthen the balance sheet and improve profitability, in the coming periods
- Completed the acquisition of EPCOGEN Private Limited. This will aid in building a deeper presence in the energy vertical both with competency and array of customers and access to Middle East and North American energy markets
- Signed a strategic partnership with KANZEN Institute Asia-Pacific Pvt Ltd (KIAP), for new age Industry IIoT, Digital Automation and MES 4.0 implementation for delivering enhanced value to our Global customers.

Consolidated Financial Performance – Q3 FY24

Particulars (INR Mn)	Q3 FY23	Q2 FY24	Q3 FY24
Revenue	2,134	2,515	2,315
Other Operating Income	22	10	7
Other Income	18	11	16
Total Revenue	2,175	2,536	2,339
Cost of Material consumed	505	601	343
Employee Benefit Exp	978	1,238	1,325
Other Expenses	355	318	354
EBITDA	296	358	292
EBITDA Margin	13.9%	14.2%	12.6%
Depreciation and Amortization	63	87	85
EBIT	233	271	207
EBIT Margin	10.9%	10.8%	9.0%
Finance cost	115	116	121
Profit before non-controlling interest / share in net profit of associate / Exceptional items	158	176	110
Share in net Profit/(Loss) of associate	-	-	-
Exceptional Items	-236	-	-
Tax	25	64	35
PAT	-102	112	75
PAT Margin	-4.7%	4.4%	3.2%
EPS	-2.72	2.89	1.93

Revenue Details Q3 FY24

Revenue	Q3 FY23	Q2 FY24	Q3 FY24	Q-o-Q	Y-o-Y
US\$ Mn	\$ 26.2	\$ 30.6	\$ 28.2	-8.0%	7.5%
INR Million	2,134	2,515	2,315	-7.9%	8.5%
Revenue by Vertical	Q3 FY23	Q2 FY24	Q3 FY24	Q-o-Q	Y-o-Y
Engineering Services	70.8%	70.8%	78.8%	2.4%	19.8%
Strategic Technology Solutions (Defence)	29.2%	29.2%	21.2%	-33.3%	-21.8%
Revenue by Industry (INR Mn)	Q3 FY23	Q2 FY24	Q3 FY24	Q-o-Q	Y-o-Y
Aerospace	28.2%	25.6%	33.1%	18.9%	27.3%
Heavy Engineering	19.7%	15.7%	15.6%	-8.7%	-14.2%
Product Engineering Services	15.9%	16.4%	12.8%	-28.1%	-12.2%
Automotive and Industrial Products	4.5%	10.7%	14.1%	28.5%	257.3%
Energy	2.3%	2.4%	3.1%	20.2%	46.3%
Defence Business	29.5%	29.2%	21.3%	-33.3%	-21.8%
Revenue By Geography	Q3 FY23	Q2 FY24	Q3 FY24	Q-o-Q	Y-o-Y
Europe	34.2%	37.4%	43.0%	7.9%	39.0%
USA	32.7%	29.8%	26.3%	-18.7%	-13.0%
APAC	28.7%	28.5%	26.4%	-14.7%	-0.2%
Canada	4.4%	4.3%	4.2%	-10.2%	4.0%

Revenue by Location	Q3 FY23	Q2 FY24	Q3 FY24
Offshore	76.1%	77.0%	71.2%
Onsite	23.9%	23.0%	28.8%

Revenue by Project	Q3 FY23	Q2 FY24	Q3 FY24
Fixed Price	60.9%	68.4%	66.9%
Time & Material	39.1%	31.6%	33.1%

Key Takeaways

- Aerospace vertical recorded highest ever revenue during the quarter, up by 27% Y-o-Y, and continues to witness upward trend. The growth is on account of newer service offerings to existing OEM in Europe and growth in Canada aerospace OEM
- Muted performance in the Heavy Engineering and Product Engineering Services due to macro factors. The Company is working on digital and embedded opportunities in these domains
- Automotive & Industrial Products (AIP) grew by 257% Y-o-Y driven by ramp up in recently added clients in the areas of Embedded, mechanical & Hardware and consolidation of revenues in add solution GmbH
- Europe has grown by 39% Y-o-Y and Canada has grown by 4% mainly due to increase business from Automotive and Aerospace.

Business Performance and Outlook

Aerospace

The Aerospace vertical achieved highest ever quarterly revenue, grew by 27% Y-o-Y. The outlook of Aerospace vertical is positive with our existing customers and the Company is ramping up its digital offerings to its Aerospace customers, to enhance revenue and margins. The Company has won additional long-term contract for customer services activities in Aerospace to serve transnationally. We are leveraging our embedded and digital capabilities of Mistral in the Avionics space.

Heavy Engineering (HEG)

Heavy Engineering continues to face headwinds, due to macroeconomic factors thus delaying growth. We are leveraging our embedded and digital capabilities to capture the opportunities in this vertical. We are hopeful of these efforts will help to bring this vertical on growth trajectory as macroeconomic situation improves.

Automotive and Industrial Products (AIP) & Energy

Automotive vertical witnessed strong growth of 257% Y-o-Y, driven by the ramp up of recently added clients in this vertical. The integration of recent acquisition of add Solution GmbH is on track. We expect this acquisition will offer significant offshoring opportunities and provide us access to automotive contracts with other global automotive OEMs.

The Energy Vertical registered a 46% growth Y-o-Y. The Company completed the acquisition of EPCOGEN in December, which will help us to get deeper presence in this vertical, access to marquee clients and energy markets in Middle East and North America.

Product Engineering Services

Product & Engineering services business, under Mistral, decline by 12% Y-o-Y, mainly due to overstocking by customers during the component shortage period that was seen in 2022, which led to decline in production revenue. The NRE services revenue continues to be healthy. We expect these challenges to continue in short-term and recovery to start from H2 FY25 onwards.

Defence Business

Revenue from defence business exhibits lumpiness across quarters, typical to the Industry. Consequently, Defence business declined by 22% Y-o-Y, due to unevenness in production orders in defence. Lumpiness in defence production revenues leads to variability in margins. We continue to have a healthy pipeline & orderbook in defence, which will ensure sustained Y-o-Y growth over the coming years. We are also exploring opportunities to export of our Defence systems and services to prospective clients overseas.

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. AXISCADES is 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 3,200 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, Digitization 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, Defence, Heavy Engineering, Automotive, Energy and Semiconductor industries. The company is known for its robust system of certifications, best practices and domain expertise that addresses futuristic customer requirements.

For further information, please contact:

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