

November 15, 2021

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 FY22 Result Presentation

Please find attached the consolidated results presentation for quarter and half year ended September 30, 2021, of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter and half year ended September 30, 2021.

Kindly upload presentation to the terminals.

Yours faithfully,
For **AXISCADES Technologies Limited**



Sharadhi Chandra Babu Pampapathy
CEO & Executive Director

Encl.: A/a

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

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Q2 FY22 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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AXISCADES Overview

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

Aerospace



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

Heavy Engg.

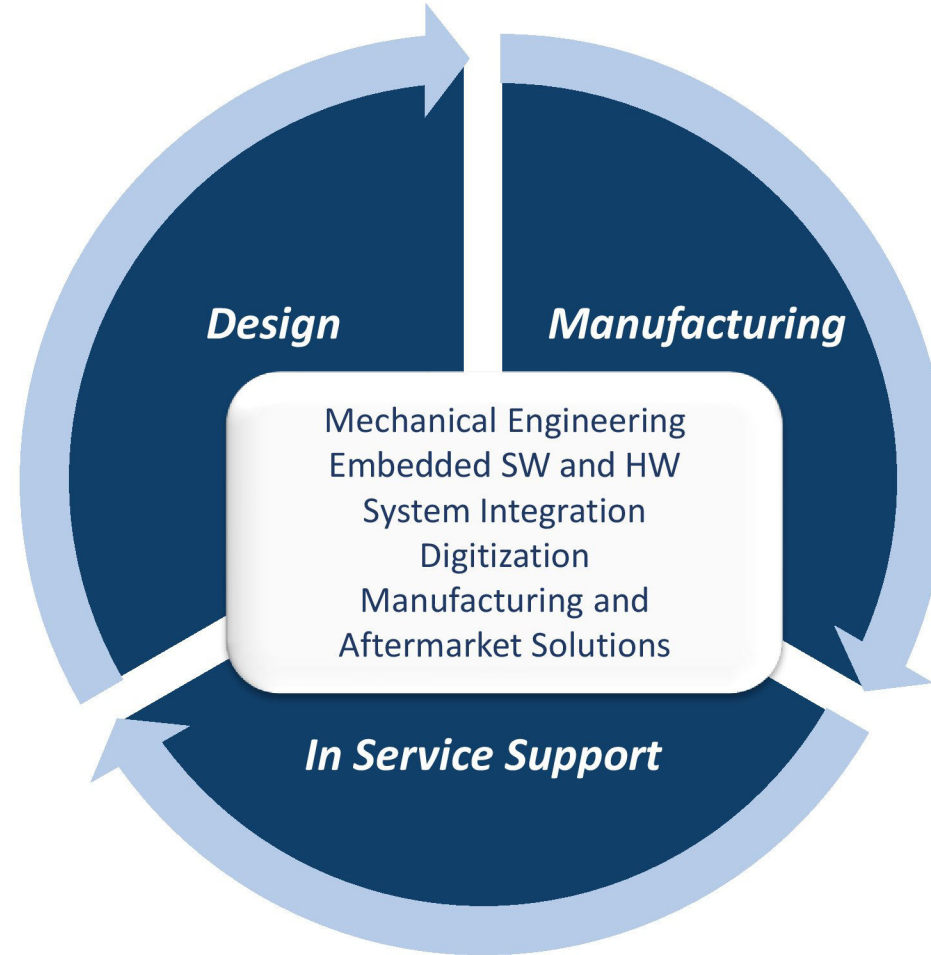


- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing

Energy



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



Defence & Homeland Security

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



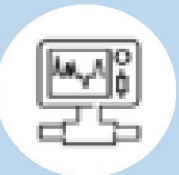
Automotive

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



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 Chairman



- **Commenting on the results and outlook, Mr. David Bradley, Chairman of AXISCADES said:** *“The performance for Q2 has been very encouraging. During the quarter, the Company delivered strong revenue growth of 20.5% Q-o-Q driven by growth across the sectors. HEG grew by 13.6%, Aerospace grew by 6% and AIP grew by 24% Q-o-Q. Our two largest verticals HEG and Aerospace are witnessing upward trends in revenue since last 3 quarters. During the last 6 months we have expanded our offerings to existing clients and won several contracts in the Digital space and we will continue to invest in this space to strengthen the capabilities. We are hopeful of continuing the good growth next quarter also”.*

Financial Highlights for Q2FY22

- Revenue at **INR 1,351 Mn**; Strong Revenue **growth of 20.5% Q-o-Q**
- USD revenue at \$18.3 Mn growth of 20.0% Q-o-Q
- Strong revenue addition in HEG Q-o-Q; grew by 13.6% Q-o-Q and 19.7% Y-o-Y
- Aerospace revenue for the quarter stands at INR 358 Mn; **highest in last 6 quarters**
- Operating profit at INR 148 Mn for the quarter, EBITDA margin at 10.7%, impacted due to salary hike
- PAT at INR 28 Mn, **Growth of 108% Q-o-Q**
- Total cash balance stands at INR 848 Mn
- Order book of \$43 Mn as on 30th Sep-2021

Operational Highlights for Q2FY22

- Added 3 new customers, 1 each in Automotive, Energy and Heavy Engineering vertical
- Securing new orders from existing clients across geos and exploring further opportunities
- Received new orders for the Strategic Technology Solutions vertical
- Won a deal with revenue potential of \$ 3 Mn in Manufacturing Digitization from an existing Aerospace client
- Our product 'WeCareEST' is witnessing good traction in the Indian market
- Secured an order for the critical Anti-Drone Systems from Indian Ministry of Defence

Consolidated Financial Performance – Q2 FY22

Particulars (INR Mn)	Q2 FY21	Q1 FY22	Q2 FY22
Revenue	1,426	1,121	1,351
Other Operating Income	6	-	5
Other Income	41	27	33
Total Revenue	1,472	1,148	1,388
Cost of Material consumed	383	91	162
Employee Benefit Exp	637	693	792
Other Expenses	234	234	286
EBITDA	218	131	148
EBITDA Margin	14.8%	11.4%	10.7%
Depreciation and Amortization	72	58	59
EBIT	146	73	89
EBIT Margin	9.9%	6.3%	6.4%
Finance cost	60	39	42
Profit before non-controlling interest / share in net profit of associate / Exceptional items	87	33	47
Share in net Profit/(Loss) of associate	1	0	0
Exceptional Items	-210	-	-
Tax	32	20	20
PAT Reported	-154	13	28
PAT Margin (Reported)	-10.5%	1.2%	2.0%
EPS Reported	-4.12	0.32	0.70

Key highlights Q-o-Q

- Broad based robust Revenue growth of 20.5% driven by growth across the verticals
- EBITDA stands at INR 148 Mn; 10.7%, compared to 11.4% in Q1 FY22, down 70 bps mainly due to salary hikes
- PAT at INR 28 Mn, growth of 108% Q-o-Q

Consolidated Balance Sheet Snapshot

Particulars	31-Mar-21	30-Sep-21
Net Worth	2,986	3,064
Total debt(excl. Inter Co.)	728	641
- Long term loan	208	108
- Current maturities of long term Borrowings	213	211
- Short term loan	306	322
Trade payables	506	561
Fixed assets (Net of Depreciation)	873	865
Goodwill on consolidation	1,047	1,050
Right-of-use Assets	962	919
Inventories	233	493
Cash and cash equivalents	527	430
Bank balances other than cash and cash equivalents	321	418
Investments	406	278
Trade receivables	1,275	1,196
Total DSO	104	114
Billed DSO	79	81
Unbilled DSO	25	32

Key highlights Q-o-Q

- Debt repayment of INR 87 Mn in H1 FY22. Total Debt stands at INR 641 Mn as on 30th Sep 21.
- Total cash balance stands at INR 848 Mn
- Increase in inventory due to deliveries planned for Q3 & Q4 FY22

Revenue Details Q2FY22

Revenue	Q2 FY21	Q1 FY22	Q2 FY22	QoQ	YoY
US\$ Mn	\$ 19.2	\$ 15.2	\$ 18.3	20.0%	-5.0%
INR Million	1,431	1,121	1,351	20.5%	-5.6%
Revenue by Vertical	Q2 FY21	Q1 FY22	Q2 FY22	QoQ	YoY
Engineering Design Services	64.6%	90.8%	84.2%	11.7%	23.0%
Strategic Technology Solutions	35.4%	9.2%	16.2%	111.4%	-56.9%
Revenue by Industry	Q2 FY21	Q1 FY22	Q2 FY22	QoQ	YoY
Aerospace	20.1%	30.2%	26.5%	6.0%	24.2%
HEG	40.0%	53.9%	50.9%	13.6%	19.7%
AIP	2.8%	4.1%	4.3%	24.3%	43.7%
Energy	2.1%	2.6%	2.2%	1.0%	-3.4%
Products and Solutions	34.9%	9.2%	16.2%	111.4%	-56.4%
Revenue By Geography	Q2 FY21	Q1 FY22	Q2 FY22	QoQ	YoY
Europe	41.1%	27.0%	30.1%	34.3%	-31.2%
USA	35.0%	46.8%	45.5%	17.0%	22.6%
APAC	17.4%	16.8%	17.2%	23.2%	-7.0%
Canada	6.5%	9.3%	7.2%	-7.1%	4.4%
Revenue by Location	Q2 FY21	Q1 FY22	Q2 FY22		
Offshore	71.5%	63.6%	66.2%		
Onsite	28.5%	36.4%	33.8%		
Revenue by Project	Q2 FY21	Q1 FY22	Q2 FY22		
Fixed Price	56.9%	42.9%	48.2%		
Time & Material	43.1%	57.1%	51.8%		

Key Takeaways

- Engineering vertical grew by **11.7% Q-o-Q and 23% Y-o-Y**. Driven by broad based growth across the sectors
- Strategic Technology Solutions grew by **111.4% Q-o-Q** mainly due to seasonality
- Growth in all verticals:
 - HEG grew by 13.6% Q-o-Q;
 - Aerospace grew by 6.0% Q-o-Q; continuous growth since last 3 quarters
 - AIP grew by 24.3% Q-o-Q; another quarter of strong growth
- Growth in all Geos:
 - Europe grew by 34.3% Q-o-Q
 - APAC grew by 23.2%
 - USA grew by 17.2%

Business performance and Outlook

Aerospace

The Aerospace vertical witnessed growth of 6.0% Q-o-Q and 24% Y-o-Y. This vertical has been recovering from the effect of the pandemic for the last 3 quarters. The growth is on the back of increase in aircraft deliveries and also improvement in air traffic. The Company has also won a new contract in the area of **Manufacturing Digitization** with revenue potential of \$3Mn, strengthening our position in the digital transformation space. On the back of multiple order wins in H1 FY22, we are hopeful of substantial improvement in revenue from Aerospace vertical in FY22 as compared to FY21.

Heavy Engineering (HEG)

The HEG vertical witnessed growth of 13.6% Q-o-Q and 19.7% Y-o-Y. We continue to mine our existing accounts clients to offer new services along with hunting for new clients across geos. We are witnessing an upward revenue trend for the last 3 quarters driven by our new services offering specially in digital space along with our traditional mechanical engineering offerings. We expect HEG vertical to be a growth driver in the coming quarters.

AIP & Energy

The Automotive vertical witnessed 24% growth Q-o-Q and 43.7% Y-o-Y. This was another quarter where we saw substantial growth. This is the highest revenue in the last 6 quarters and has been continuously growing since last 3 quarters. We added a one new account and are pursuing new opportunities in the digital domain with multiple automotive majors in Europe and India.

The Energy Vertical witnessed revenue of INR 29.4 MN, a nominal growth of 1% Q-o-Q. We have added new skills in digital area in this vertical and expect significant growth in the coming quarters.

Product & Solutions

In Q2 FY22 revenue from product and solutions stands at INR 219 Mn compared to INR 103.4 Mn in Q1 FY21. The vertical saw growth of 111% Q-o-Q. During the quarter we received new orders from a key customer and a large order for the supply of Anti-drone systems to Indian defence in a partnership. The revenue of this vertical is usually better in H2 as compared to H1 and we expect this vertical to do better in in Q3 & Q4 FY22.

Financial Metrics – Q2 FY22

Key ratios (%)	Q2 FY21	Q1 FY22	Q2 FY22
Total Income (Rs. Mn.)	1,472	1,148	1,388
Gross margin	21.2%	24.2%	27.6%
Selling expenses	4.1%	6.4%	7.4%
G&A expenses	2.3%	6.5%	9.5%*
EBITDA Margin	14.8%	11.4%	10.7%
EBIT Margin	9.9%	6.3%	6.4%
PBT margin	5.9%	2.9%	3.4%
PAT (Before Minority Interest)	-10.5%	1.2%	2.0%
EPS (Rs.) Basic	(4.12)	0.32	0.70
EPS (Rs.) Diluted	(4.12)	0.30	0.66

*G&A costs for Q2 FY22 increased mainly due to higher spends on business development and legal expenses

Gross Margin = Total income – Employee cost involved in delivery, Outsourcing, Project travel, Software license and Facility cost.

Annexures

Annexures

About AXISCADES Technologies Ltd.

AXISCADES is a Technology Company focusing on Product Engineering Solutions, serving Global OEMs. 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 1,800+ 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.

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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