

February 11, 2022

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.: Q3 FY22 Result Presentation

Please find attached the consolidated results presentation for Quarter and nine months ended December 31, 2021, 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, 2021.

Kindly upload presentation to the terminals.

Yours faithfully,

For **AXISCADES Technologies Limited**
(Formerly AXISCADES Engineering Technologies Limited)



Sonal Dudani
Compliance Officer (Interim)
Encl.: A/a

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



Q3 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.

Table of Contents

- 1 Company Overview
- 2 Key Highlights
- 3 Financial Performance
- 4 Segment Revenue
- 5 Business Performance and Outlook
- 6 Annexures

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.

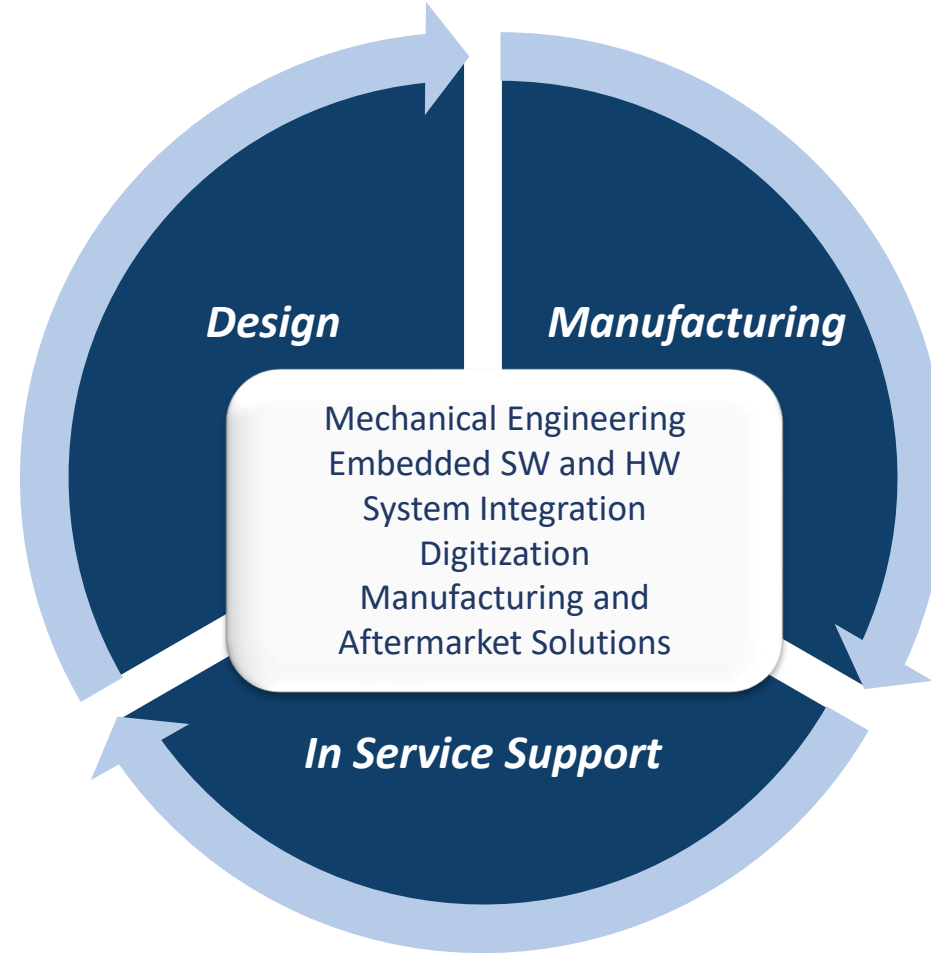


- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing

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 Q3 has been very encouraging. This is the second consecutive quarter, where the Company delivered strong revenue growth of 20%+ Q-o-Q. This growth was backed by strong traction in the Product and solutions vertical and improved outlook in the Aerospace vertical. Our EBITDA stands at INR 201 Mn at 11.82% improved by 116 bps Q-o-Q. We are hopeful of continuing the good growth next quarter also. During the quarter, the company has secured a multi-year contract renewal from Airbus and has been recognized as a preferred supplier to Airbus EMES3. I am also glad to announce the appointment of Arun Krishnamurthi as MD & CEO and Shashidhar SK as Chief Financial Officer (CFO). I am confident that under the leadership of newly appointed management, the company will strengthen the current position and make the focused investments that augment the company’s capabilities, ensuring strategically oriented differentiation in the market.”

Message from MD & CEO



- **Commenting on the results and outlook, Mr. Arun Krishnamurthi, CEO & MD of AXISCADES said** *“The performance for Q3 was inline with expectation. During the quarter we added 5 new strategic clients, all of which have potential to grow. Our strategy is to pivot AXISCADES to a digital first company with focus on Embedded software, AI / ML, PLM on the cloud and Industry 4.0. We are looking at strengthening the relationships with our existing clients and partner with them to innovate on new frameworks and solutions. As has been consistently demonstrated, AXISCADES has significant strengths in Aerospace and Heavy Engineering. Our focus will be on growing this areas as well as diversifying into other sectors which offer strong potential in the engineering space.”*

Financial Highlights for Q3FY22

- Revenue at **INR 1,693 Mn**; Strong Revenue **growth of 25.3% Q-o-Q and 35.7% Y-o-Y**
- USD revenue at \$22.7 Mn growth of 24.3% Q-o-Q and 34.6% Y-o-Y
- EBITDA at INR 201 Mn at 11.82% compared to 10.66% in Q2 FY22; driven by strong operating performance
- PAT at INR 79 Mn; **grew by 185.7% Q-o-Q**
- Strong revenue addition in Aerospace Q-o-Q; **grew by 18.1% Q-o-Q and 53.9% Y-o-Y**
- Heavy Engineering grew by 31.3% Y-o-Y
- Aerospace revenue for the quarter stands at INR 422 Mn; **highest in last 7 quarters**
- Total debt in the company stands at INR 516 Mn compared to INR 728Mn as on 31st Mar-2021
- Order book of \$57.0 Mn as on 31st Dec-2021; growth of 32.7% Q-o-Q

Operational Highlights for Q3FY22

- Added 5 new customers, 1 in Automotive and 4 in Heavy Engineering vertical
- Secured a multi-year contract renewal from Airbus and have been recognized as a preferred supplier to Airbus EMES3 (“Engineering, Manufacturing Engineering and Services Strategic Suppliers”).
- Received new orders for the Strategic Technology Solutions vertical
- Secured an order for the critical Anti-Drone Systems from Indian Ministry of Defence
- During the quarter, Jupiter Capital, promoter company, has significantly reduced equity shares pledged with Company’s bankers. Currently equity shares pledged constitutes 16.17% of total shareholding compared to pledge shares of 46.17% of total shareholding in last quarter.

Organization Development



Arun Krishnamurthi – Chief Executive Officer and Managing Director

Arun has ~3 decades of experience and he has worked with Wipro and Tata Technologies. He has managed large P&L across geographies specially in Europe, USA and Australia. In his previous stints, he was managing the business of \$450 Mn. He is Master of Computer Applications from Pune University.



Shashidhar SK – Chief Financial Officer

Shashidhar is a thorough business leader with close to 3 decades of experience and expertise in Corporate Finance and Corporate Governance. He previously held the position of Chief Financial Officer at StoveKraft Ltd, where he played a pivotal role in turnaround of the Company and successfully concluded its IPO. His previous leadership assignments were with Tata Advanced Materials Ltd, Inlaks Group and Carrier Refrigeration.

Shashidhar graduated in Commerce from Bangalore University and is a Chartered Global Management Accountant (CGMA CIMA, UK, AICPA, USA), Fellow Chartered Management Accountant (FCMA, CIMA UK), Fellow Cost & Management Accountant (FCMA, ICAI), Fellow of Company Secretaries (FCS, ICSI) and is trained in Enterprise Risk Management by Singapore Management University.

Consolidated Financial Performance – Q3 FY22

| Particulars (INR Mn) | Q3 FY21 | Q2 FY22 | Q3 FY22 |
|--|---------------|---------------|---------------|
| Revenue | 1,248 | 1,351 | 1,693 |
| Other Operating Income | 7 | 5 | 6 |
| Other Income | 30 | 33 | 3 |
| Total Revenue | 1,285 | 1,388 | 1,702 |
| Cost of Material consumed | 201 | 162 | 398 |
| Employee Benefit Exp | 657 | 792 | 813 |
| Other Expenses | 221 | 286 | 290 |
| EBITDA | 206 | 148 | 201 |
| EBITDA Margin | 16.07% | 10.66% | 11.82% |
| Depreciation and Amortization | 60 | 59 | 61 |
| EBIT | 147 | 89 | 140 |
| EBIT Margin | 11.42% | 6.40% | 8.22% |
| Finance cost | 52 | 42 | 36 |
| Profit before non-controlling interest / share in net profit of associate / Exceptional items | 94 | 47 | 104 |
| Share in net Profit/(Loss) of associate | 1 | 0 | -1 |
| Tax | 40 | 20 | 23 |
| PAT Reported | 56 | 28 | 79 |
| PAT Margin (Reported) | 4.35% | 2.00% | 4.66% |
| EPS Reported | 1.45 | 0.70 | 2.07 |

- EBITDA includes other income

Key highlights Q-o-Q

- Revenue growth of 25.3% driven by growth in Aerospace and Defence vertical
- EBITDA stands at INR 201 Mn; 11.82%, compared to 10.66% in Q2 FY22, improved by 116 bps mainly due to strong operating performance
- Finance cost has reduced due to repayment of loan during the quarter
- PAT at INR 79 Mn, growth of 185.7% Q-o-Q.

Consolidated Balance Sheet Snapshot

| Particulars (INR Mn.) | 31-Mar-21 | 31-Dec-21 |
|--|--------------|--------------|
| Net Worth | 2,986 | 3,164 |
| Total debt(excl. Inter Co.) | 728 | 516 |
| - Long term loan | 208 | 56 |
| - Current maturities of long term Borrowings | 213 | 209 |
| - Short term loan | 306 | 251 |
| Trade payables | 506 | 703 |
| Fixed assets (Net of Depreciation) | 873 | 878 |
| Goodwill on consolidation | 1,047 | 1,050 |
| Right-of-use Assets | 962 | 890 |
| Inventories | 233 | 508 |
| Cash and cash equivalents | 527 | 373 |
| Bank balances other than cash and cash equivalents | 321 | 421 |
| Investments | 406 | 273 |
| Trade receivables | 1,275 | 1,340 |
| Total DSO | 104 | 96 |
| Billed DSO | 79 | 73 |
| Unbilled DSO | 25 | 23 |

Key highlights Q-o-Q

- Debt repayment of INR 212 Mn in YTD FY22. Total Debt stands at INR 516 Mn as on 31st Dec 21
- Total cash balance stands at INR 794 Mn
- Total DSO has reduced by 8 days compared to 31st Mar-2021, mainly due to focus on collection.

Revenue Details Q3FY22

| Revenue | Q3 FY21 | Q2 FY22 | Q3 FY22 | QoQ | YoY |
|--------------------------------|---------|---------|---------|--------|--------|
| US\$ Mn | \$ 19.2 | \$ 18.3 | \$ 22.7 | 24.3% | 34.6% |
| INR Million | 1,248 | 1,351 | 1,693 | 25.3% | 35.7% |
| Revenue by Vertical | Q3 FY21 | Q2 FY22 | Q3 FY22 | QoQ | YoY |
| Engineering Design Services | 69.8% | 83.9% | 71.3% | 6.6% | 38.4% |
| Strategic Technology Solutions | 30.2% | 16.1% | 28.7% | 122.9% | 28.5% |
| Revenue by Industry | Q3 FY21 | Q2 FY22 | Q3 FY22 | QoQ | YoY |
| Aerospace | 22.0% | 27.2% | 25.0% | 18.1% | 53.9% |
| HEG | 42.4% | 50.4% | 41.0% | 1.3% | 31.3% |
| AIP | 3.0% | 4.0% | 3.4% | -0.4% | 60.7% |
| Energy | 2.3% | 2.2% | 1.8% | 2.5% | 8.9% |
| Products and Solutions | 30.4% | 16.2% | 28.8% | 122.8% | 28.2% |
| Revenue By Geography | Q3 FY21 | Q2 FY22 | Q3 FY22 | QoQ | YoY |
| Europe | 30.5% | 29.3% | 40.9% | 70.7% | 82.0% |
| USA | 37.6% | 45.5% | 35.3% | -2.8% | 27.3% |
| APAC | 24.2% | 17.2% | 18.8% | 36.9% | 5.5% |
| Canada | 7.7% | 7.9% | 5.0% | -13.8% | -12.5% |
| Revenue by Location | Q3 FY21 | Q2 FY22 | Q3 FY22 | | |
| Offshore | 70.0% | 67.3% | 72.9% | | |
| Onsite | 30.0% | 32.7% | 27.1% | | |
| Revenue by Project | Q3 FY21 | Q2 FY22 | Q3 FY22 | | |
| Fixed Price | 54.6% | 48.2% | 58.8% | | |
| Time & Material | 45.4% | 51.8% | 41.2% | | |

Key Takeaways

- Engineering vertical grew by **6.6% Q-o-Q** and **38.4% Y-o-Y**. Driven by increased traction in Aerospace vertical
- Strategic Technology Solutions grew by **122.9% Q-o-Q** mainly due to increased business from key client
- Growth in all verticals:
 - **Aerospace grew by 53.9% Y-o-Y**; Increased traction from key client
 - **HEG grew by 31.3% Y-o-Y**;
 - Product and solution grew by **28.2% Y-o-Y**
- Growth in all Geographies:
 - **Europe grew by 82.0% Y-o-Y**
 - USA grew by **27.3% Y-o-Y**
 - APAC grew by **5.5%**

Business performance and Outlook

Aerospace

The Aerospace vertical revenue stands at INR 422 Mn, **Highest in the last 7 quarters**, witnessed growth of 18.1% Q-o-Q and 53.9% Y-o-Y. During the quarter we have also Secured a multi-year contract renewal from Airbus and have been recognized as a preferred supplier to Airbus EMES3. This vertical is picking up from the effect of the pandemic for the last 6-7 quarters. Growth is being driven by expansion in key accounts entering newer area of works specially in Digital. On the back of multiple order wins in the last 9 months, and declining travel related risks we are optimistic of continuous recovery in the vertical and expect better FY22 compared to FY21.

Heavy Engineering (HEG)

The HEG vertical revenue stands at INR 696 Mn, **Highest in the last 11 quarters** witnessed growth of 31.3% Y-o-Y. We are seeing increased traction from existing clients from newer area of services. The outlook for this sector is positive, we continue to see growth in coming quarters specially from existing clients and continue to look for the addition of newer clients in the vertical. We expect HEG vertical to be a growth driver in the coming quarters.

AIP & Energy

The Automotive vertical witnessed growth of 60.7% Y-o-Y. This was another quarter where we saw strong growth. This is the highest revenue in the last 7 quarters and has been continuously growing since last 4 quarters. We added a one new account and we are hopeful of addition of fortune 500 names in coming quarters.

The Energy Vertical delivered revenue of INR 30.1 Mn, growth of 8.9% Y-o-Y. We have added new skills in digital area in this vertical and expect significant growth in the coming quarters.

Product & Solutions

In Q3 FY22 revenue from Product and Solutions stands at INR 487.1 Mn compared to INR 218.6 Mn in Q2 FY22. translating to a Q-o-Q growth of 122.8%. During the quarter we received new orders from key customers in the vertical. The pipeline looks strong for Q4 on the back of the recent deal win for the supply of Anti-drone systems to Indian defence in a partnership however any further impact of Covid-19 may cause drop in the revenue.

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 2,000+ 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 17 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 |