

August 8, 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.: Q1 FY22 Result Presentation**

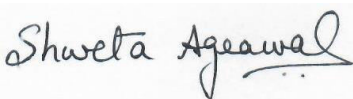
Please find attached the consolidated results presentation for Quarter ended June 30, 2021, of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter ended June 30, 2021.

Kindly upload presentation to the terminals.

Yours faithfully,

For **AXISCADES Technologies Limited**



**Shweta Agrawal**  
**Company Secretary**  
Encl.: A/a

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



## Q1 FY22 INVESTORS PRESENTATION

**AXISCADES Technologies Limited**

CIN NO : L72200KA1990PLC084435

## Disclaimer

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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.

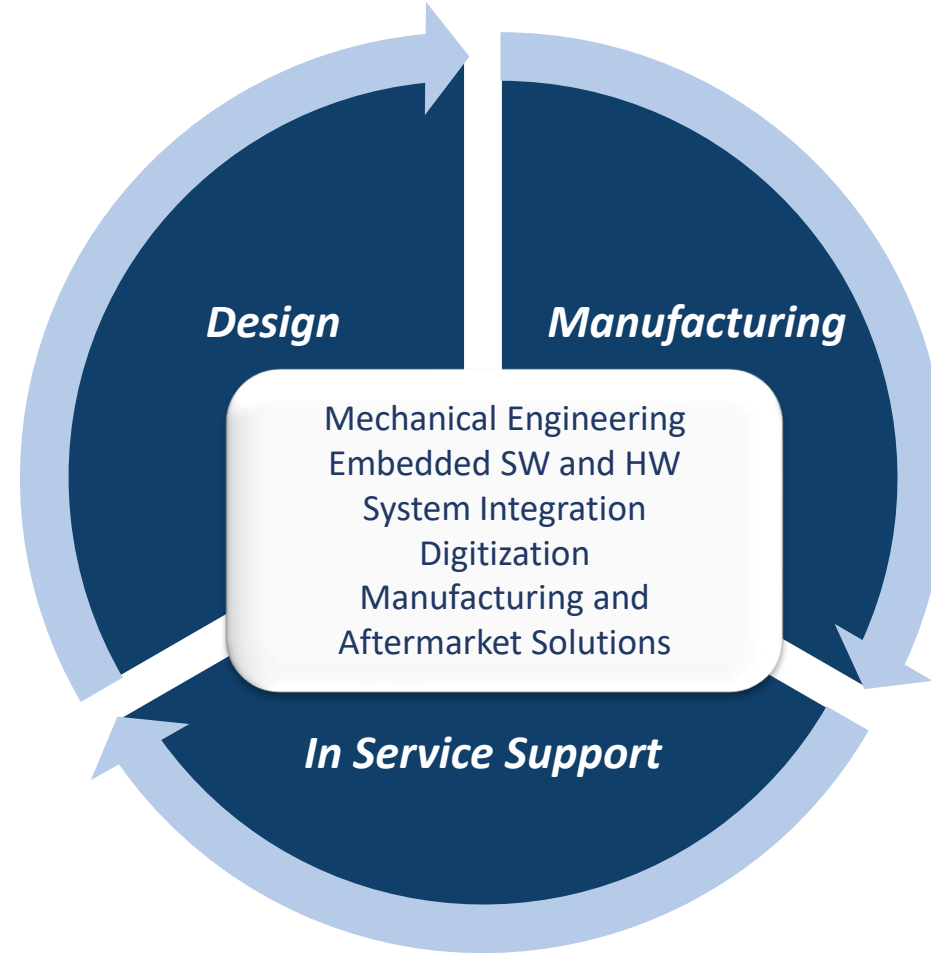


- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing

## 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

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**Commenting on the results and outlook, Mr. David Bradley, Chairman of AXISCADES said:** “During the quarter in the engineering segment the Company saw growth across verticals including aerospace sector. We are seeing traction in Automotive and Energy verticals as well. Our earlier investments in digital space have shown positive results and we will continue to invest in this space to expand our offerings. Outlook for the year looks healthy with good order book however further travel restrictions and lockdown may impact the growth for the year.”

## Financial Highlights for Q1FY22

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- Revenue stands at INR 1,121 Mn, growth of 7.9% Y-o-Y
- USD revenue at \$15.2 growth of 11.1% Y-o-Y
- Aerospace vertical grew by 15.3% Q-o-Q; **the highest growth in the last 5 Quarters**
- Non-aerospace verticals (excluding products and solutions) grew by 6.1% Q-o-Q and 15.9% Y-o-Y
- Operating profit at INR 131 Mn, translating to an EBITDA margin of 11.4%
- PAT stands at INR 13 Mn, compared to reported loss (including exceptional items) INR 105 Mn in Q4FY21 and INR 8 Mn in Q1FY21.
- Total cash balance stands at INR 923 Mn compared to INR 848 Mn in Q4 FY21
- Strong order book of \$53 Mn as on 30<sup>th</sup> Jun-2021, growth of 13% Q-o-Q

## Operational Highlights for Q1FY22

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- 4 New customers added in Aerospace, Automotive vertical and Heavy Engineering
- AXISCADES received **Diamond supplier of the year award from Bombardier Aerospace**. This award shows company's commitment to delivering value to its business partners. This award is granted to the supplier who demonstrated outstanding operation performance and competitiveness and the recognition is assessed on a stringent assessment of key performance indicators measured over the entire year
- AXISCADES has been awarded the top prototype Engineering Service company 2021 by "Manufacturing Technology Insights" magazine in US.
- Continued interaction with existing clients, started offering new areas of services
- The company is exploring the opportunity to offer digital services in the Aerospace and HEG vertical to expand offering to existing clients and add new clients to offer end to end solutions



## Consolidated Financial Performance – Q1 FY22

Particulars (INR Mn)	Q1 FY21	Q4 FY21	Q1 FY22
Revenue	1,039	1,461	1,121
Other Operating Income	24	28	-
Other Income	43	31	27
<b>Total Revenue</b>	<b>1,106</b>	<b>1,520</b>	<b>1,148</b>
Cost of Material consumed	78	323	91
Employee Benefit Exp	671	701	693
Other Expenses	228	265	234
<b>EBITDA</b>	<b>129</b>	<b>231</b>	<b>131</b>
<b>EBITDA Margin</b>	<b>11.7%</b>	<b>15.2%</b>	<b>11.4%</b>
Depreciation and Amortization	67	61	58
<b>EBIT</b>	<b>61</b>	<b>170</b>	<b>73</b>
<b>EBIT Margin</b>	<b>5.6%</b>	<b>11.2%</b>	<b>6.3%</b>
Finance cost	66	47	39
<b>Profit before non-controlling interest / share in net profit of associate / Exceptional items</b>	<b>-4</b>	<b>123</b>	<b>33</b>
Share in net Profit/(Loss) of associate	2	0	0
Exceptional Items	-	-198	-
Tax	6	30	20
PAT Reported	-8	-105	13
PAT Adjusted*	-8	93	13
PAT Margin (Reported)	-0.8%	-6.9%	1.2%
PAT Margin (Adjusted)*	-0.8%	6.1%	1.2%
<b>EPS Reported</b>	<b>-0.26</b>	<b>-2.81</b>	<b>0.32</b>
<b>EPS Adjusted*</b>	<b>-0.26</b>	<b>2.44</b>	<b>0.32</b>

\*In the quarter ended March 31, 2021, the company has incurred the exception items of INR 198.2 Mn for Q4 FY21 respectively on account of goodwill impairment of one of its acquisition due to challenging environment and ongoing pandemic.

### Notes

#### Key highlights Y-o-Y:

- Revenue grew by 7.9% mainly due to increased traction in Aerospace and HEG vertical
- EBITDA stands at INR 131 Mn; 11.4%, compared to 11.7% in Q1 FY21
- Reduction in finance cost mainly due to reduction in company debt
- PAT stands at INR 13 Mn, compared to reported loss INR 8 Mn in Q1 FY21

#### Key highlights Q-o-Q:

- Revenue de-grew by 23.3% mainly due to seasonal decline in products and solutions revenue vertical
- PAT stands at INR 13 Mn, compared to reported loss INR 105 Mn in Q4 FY21

## Consolidated Balance Sheet Snapshot

Particulars	31-Mar-21	30-Jun-21
<b>Net Worth</b>	<b>2,986</b>	<b>3,016</b>
Total debt(excl. Inter Co.)	728	699
- Long term loan	208	160
- Current maturities of long term Borrowings	213	213
- Short term loan	306	326
Trade payables	506	434
Fixed assets (Net of Depreciation)	873	884
Goodwill on consolidation	1,047	1,051
Right-of-use Assets	962	937
Cash and cash equivalents	527	601
Bank balances other than cash and cash equivalents	321	322
Investments	406	402
Trade receivables	1,275	1,008
DSO	105	108

Notes
<b><u>Key highlights Q-o-Q:</u></b>
- Debt reduced by INR 29 Mn during the quarter
- Total cash balance stands at INR 923, compared to INR 848 Mn in last quarter

## Revenue Details Q1FY22

Revenue	Q1 FY21	Q4 FY21	Q1 FY22	QoQ	YoY
US\$ Mn	\$ 13.7	\$ 19.9	\$ 15.2	-23.3%	11.1%
INR Million	1,039	1,461	1,121	-23.3%	7.9%
Revenue by Vertical	Q1 FY21	Q4 FY21	Q1 FY22	QoQ	YoY
Engineering Design Services	85.3%	64.9%	90.8%	5.3%	12.2%
Strategic Technology Solutions	14.7%	35.1%	9.2%	-80.2%	-33.8%
Revenue by Industry	Q1 FY21	Q4 FY21	Q1 FY22	QoQ	YoY
Aerospace	30.0%	20.3%	30.2%	15.3%	9.0%
HEG	50.7%	39.4%	53.9%	4.3%	14.8%
AIP	3.1%	2.8%	4.1%	23.1%	42.1%
Energy	2.6%	1.7%	2.6%	21.4%	6.8%
Products and Solutions	13.6%	35.7%	9.2%	-80.2%	-26.6%
Revenue By Geography	Q1 FY21	Q4 FY21	Q1 FY22	QoQ	YoY
Europe	28.1%	32.0%	27.0%	-35.2%	3.7%
USA	47.1%	37.2%	46.8%	-2.6%	7.4%
APAC	18.2%	24.0%	16.8%	-46.2%	-0.1%
Canada	6.5%	6.8%	9.3%	5.1%	54.6%
Revenue by Location	Q1 FY21	Q4 FY21	Q1 FY22		
Offshore	54.9%	73.0%	63.7%		
Onsite	45.1%	27.0%	36.3%		
Revenue by Project	Q1 FY21	Q4 FY21	Q1 FY22		
Fixed Price	42.4%	58.7%	42.8%		
Time & Material	57.6%	41.3%	57.2%		

### Key Takeaways

#### Highlights for Q1 Q-o-Q:

- Group Revenue de-grew by 23% in USD terms
- Engineering vertical witnessed growth of 5.3% Q-o-Q mainly due to increased interaction in key verticals
- Strategy Solutions de-grew by 80% Q-o-Q mainly due to seasonal decline in products and solutions vertical
- Growth in all verticals:
  - Aerospace grew by 15.3% Q-o-Q mainly due to growth in key clients
  - HEG grew by 4.3% Q-o-Q, this was driven by expansion of service to existing clients.
  - AIP & Energy grew by 20%+ Q-o-Q

# Business performance and Outlook

## Aerospace

Aerospace vertical saw growth of 15.3% Q-o-Q, which is highest in last 5 quarters. This is second consecutive quarter where we saw strong growth in the vertical. We have started seeing aerospace vertical picking up however it is still significantly less compared to pre-covid level. We expect aerospace to do well in the remaining quarters of the current fiscal. We are witnessing increased activity during the quarter with our key customers and have added one new logo in Europe region for working on Passenger-to-Freighter (P2F) conversion. We are also exploring the opportunity to offer digital services in the vertical to expand our offering to existing clients and add new clients. While this segment has been severely impacted due to the pandemic, it is expected to gradually track improvement with FY22 being better compared to FY21 as the risk of additional travel restrictions and lockdown across geographies diminishes.

## HEG

HEG saw growth of 4.3% Q-o-Q. This is another vertical where we have seen good growth for second consecutive quarter. We are witnessing increased interaction with one of our key clients in the vertical. We have started offering our new services to existing clients to get the additional revenue from new areas and we will continue to hunt for new clients in USA and other geographies. We are also discussing digital service offering with our customers. We expect HEG to witness growth in line with industry growth, based on interaction which we are having with our clients.

## AIP & Energy

These are two verticals where we saw 20%+ growth Q-o-Q. AIP vertical revenue stands at INR 45.7 Mn which is the highest in last 4 quarters. We are in discussion with key players in automotive industry which is in advanced stage, and we expect more client additions in this vertical in coming quarters.

Energy Vertical witnessed revenue of INR 29.1 MN, growth of 21.4% Q-o-Q which is the highest in last 6 quarters. This was on account of increased revenue from one of key customer in energy vertical. We may see these two verticals to grow higher than company average in coming quarters.

## Product & Solutions

In Q1 FY22 revenue from product and solutions stands at INR 103.4 Mn compared to INR 522.3 Mn in Q4 FY21 which is historically strong quarter for the vertical. The deliveries of Q1 FY22 have been impacted owing to lockdown and the revenue which will be accounted going forward. We expect contribution of Product & Solutions to be in line with earlier years.

## Financial Metrics – Q1 FY22

Key ratios (%)	Q1 FY21	Q4 FY21	Q1 FY22
Total Income (Rs. Mn.)	1,106	1,520	1,148
Gross margin	20.7%	27.0%	24.2%
Selling expenses	5.6%	5.8%	6.4%
G&A expenses	3.4%	5.6%	6.5%
Provision for Debtors	0.0%	0.3%	0.0%
EBITDA Margin	11.7%	15.2%	11.4%
EBIT Margin	5.6%	11.2%	6.3%
PBT margin	-0.4%	8.1%	2.9%
PAT (Before Minority Interest)	-0.8%	-6.9%	1.2%
EPS (Rs.) Basic	(0.26)	(2.81)	0.32
EPS (Rs.) Diluted	(0.26)	(2.81)	0.32

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

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# Annexures

## About AXISCADES Technologies Ltd.

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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 1,700+ 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:*

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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