

November 13, 2019

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,

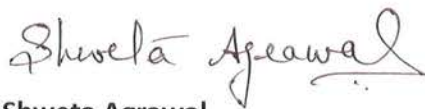
Sub.: Q2 FY20 Result Presentation

Please find attached the consolidated results presentation for Quarter and Half Year ended September 30, 2019 of AXISCADES Engineering Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for the period ended September 30, 2019.

Kindly upload presentation to the terminals.

Yours truly,
For **AXISCADES Engineering Technologies Limited**



Shweta Agrawal
Company Secretary



Q2 FY20 RESULTS

AXISCADES Engineering Technologies Limited

CIN NO : L72200KA1990PLC084435

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 Engineering Technologies Limited (ACETL) 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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Company Overview

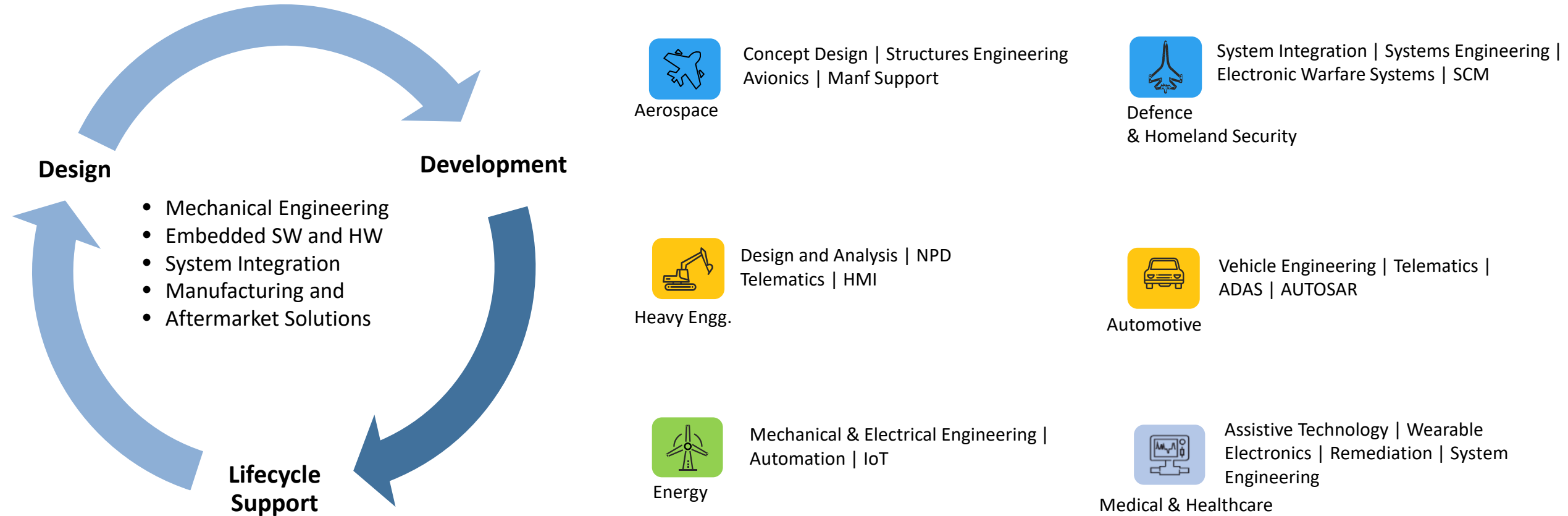
Key Highlights

Consolidated Financials

Revenue Segmentation

Annexures

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



Strategic partner to global OEMs for innovative, sustainable, safer & smarter products.

Commenting on the Q2 FY20 performance, Mr. David Bradley, Chairman AXISCADES *“The company is evolving to cater to the newer demands in the market and our focus over the last couple of quarters has been to build on our key partnerships whilst adding new capabilities. Our key verticals, Aerospace and Defence and the demand for our services has seen a steady increase. We are seeing new opportunities in the market that we can capitalize on, for example, Industry 4.0 and newer technologies.”*

Key Highlights Q2 FY20

Business Highlights

- ❑ Added 3 new clients in Digital domain
- ❑ Received additional Orders from Defence OEM to the tune of USD 2.5 Mn
- ❑ Expanded footprint in Mexico and China for existing Strategic Client
- ❑ Strong cashflow generation from operations at Rs. 241 Mn as compared to –ve 334 Mn in H1 FY19

Financial Highlights

H1 FY20 Performance

9.5% growth in Total Income as compared to H1 FY19

Multi-fold growth in EBITDA to Rs. 374 Mn as compared to -ve Rs. 47 Mn in H1 FY19

PAT before minority interests at Rs. 57.6 Mn

Q2 FY20 Performance

Q2 EBITDA at Rs 206 Mn as compared to 169 Mn in previous quarter

3.1% growth in Total Income Q-o-Q

4.3x growth in Q2 PAT to Rs. 46.7 Mn

Significant growth in EBITDA margins to 12.8% from 10.8% in Q1 FY20

Consolidated Financial Performance – Q2 FY20

	Q2 FY20	Q1 FY20	Q2 FY19
Revenue from operations (\$ Million)	\$ 22.2	\$ 21.9	\$ 23.4
In Million INR			
Revenue from operations	1,578	1,544	1,628
Other Income	27	13	11
Total Income	1,605	1,556	1,639
Employee Expenses	940	853	882
Direct Expenses (Material Cost)	184	250	299
Project consultancy Charges	45	44	73
Other expenses	230	241	436
Total expenses	1,399	1,388	1,689
Operating Income	206	169	(50)
PBT	70	25	4
PAT (Before Minority Interest)	47	11	1
PAT (After Minority Interest)	45	9	(0)
Basic EPS	1.20	0.25	(0.01)
Operating Income %	12.8%	10.8%	-3.1%
PBT %	4.3%	1.6%	0.3%
PAT % (After Minority Interest)	2.9%	0.7%	-0.02%

Explanatory Notes

Major improvement in all operating parameters

- 3.1% growth in Total Income Q-o-Q
- Q2 EBITDA grew to Rs. 206 Mn
 - EBITDA margins expansion to healthy 12.8% from 10.8% in Q1 FY20
- 4.3x growth in Q2 PAT to Rs. 46.7 Mn

Consolidated Financial Performance – H1 FY20

	H1 FY20	H1 FY19
Revenue from operations (\$ Million)	\$ 44.1	\$ 41.7
In Million INR		
Revenue from operations	3,122	2,854
Other Income	40	32
Total Income	3,162	2,887
Employee Expenses	1,794	1,676
Direct Expenses (Material Cost)	433	430
Project consultancy Charges	89	140
Other expenses	471	687
Total expenses	2,787	2,934
Operating Income	374	(47)
PBT	95	(100)
PAT (Before Minority Interest)	58	(78)
PAT (After Minority Interest)	55	(81)
Basic EPS	1.45	(2.14)
Operating Income %	11.8%	-1.6%
PBT %	3.0%	-3.5%
PAT % (After Minority Interest)	1.8%	-2.7%

Explanatory Notes

Significant improvement in operating parameters in H1 FY20 as compared to H1 FY19

- ❑ 9.5% growth in Total Income as compared to H1 FY19
- ❑ Multi-fold growth in H1 FY20 EBITDA to Rs. 374 Mn from –ve 47 Mn. in H1 FY19
- ❑ H1 FY20 PAT before minority interests at Rs 57.6 Mn

Financial Metrics – Continuous improvement in Operating Metrics

Key ratios (%)	Q2 FY20	Q1 FY20	Q4 FY19	Q3 FY19	Q2 FY19	Q1 FY19	FY19	FY18
Total Income (Rs. Mn.)	1,605	1,556	1,673	1,608	1,639	1,248	6,168	5,342
Gross margin	30.7%*	27.2%	29.6%	27.4%	25.9%	18.5%#	26.0%#	30.0%
Selling expenses	5.7%	6.0%	6.0%	7.0%	7.5%	8.4%	7.0%	7.8%
G&A expenses	14.3%	12.6%	14.1%	11.6%	13.6%	12.3%	13.3%	14.5%
Provision for Debtors	0.0%	0.1%	1.4%	1.1%	7.9%	-2.4%	2.3%	1.6%
EBITDA Margin (Normalised)	10.7%	8.6%	8.0%	7.6%	-3.1%	0.2%	3.4%	6.1%
Lease (IND AS 116)	2.1%	2.2%	-	-	-	-	-	-
EBITDA Margin (Reported)	12.8%	10.8%	8.0%	7.6%	-3.1%	0.2%	3.4%	6.1%
PBT margin	4.3%	1.6%	0.1%	0.8%	0.3%	-8.4%	-3.7%	0.0%
PAT (Before Minority Interest)	2.9%	0.7%	0.5%	-0.4%	0.0%	-6.4%	-1.2%	-1.5%
EPS (Rs.) Basic	1.20	0.25	0.18	-0.19	-0.01	-2.13	-2.15	-2.18
EPS (Rs.) Diluted	1.19	0.25	0.18	-0.19	-0.01	-2.13	-2.15	-2.18

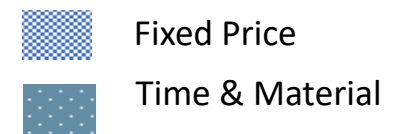
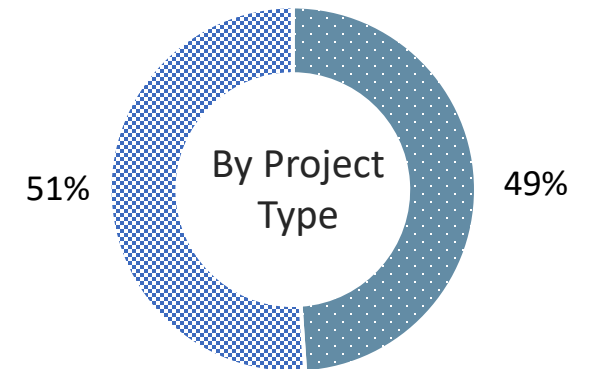
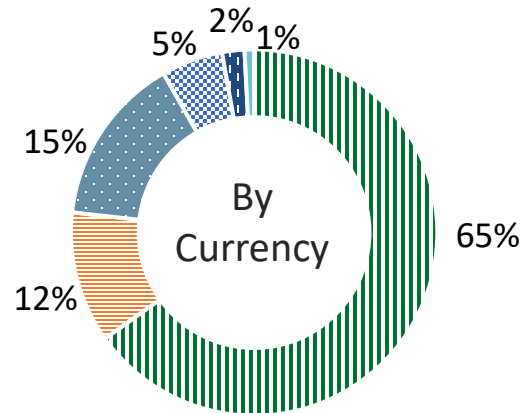
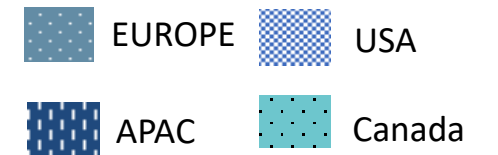
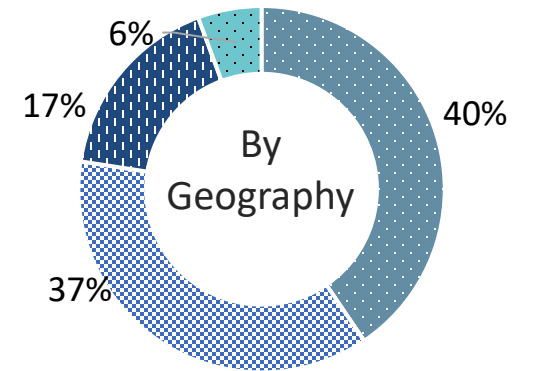
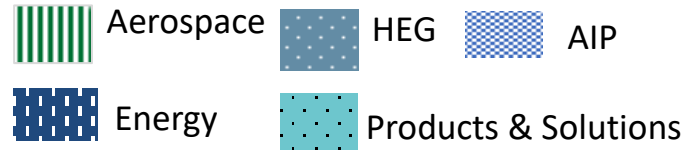
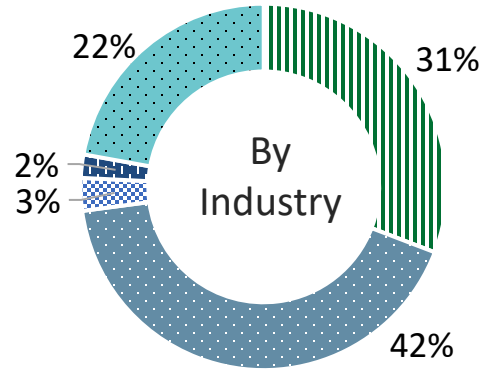
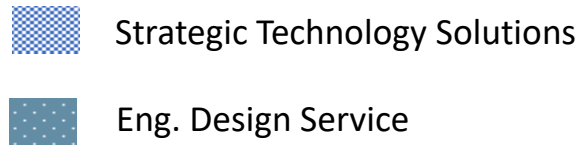
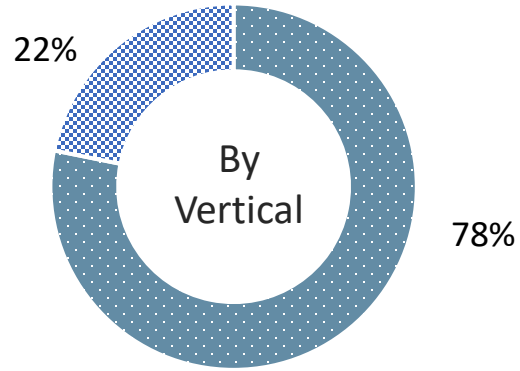
Gross Margin = Total Income Less : Employee cost involved in delivery, Outsourcing, Project travel, Software licenses and Facilities cost

Note :

* The increase over preceding quarter is attributed to decrease in material cost in Strategic Technology vertical, on account of change in Revenue mix

Lower margins in FY19 is attributed to operating losses in Strategic Technology business

Diversified Revenue - Q2 FY20



Consolidated Balance Sheet Snapshot

Particulars	30-Sep-19	31-Mar-19
	(INR Mn)	(INR Mn)
Net Worth	2891	2847
Total debt	1377	1517
- Long term loan	399	490
- Current maturities of long-term Borrowings	207	202
- Short term loan	771	825
Trade payables	404	353
Fixed assets (Net of Depreciation)	1675	1732
Goodwill on consolidation	1663	1659
Right-of-use Assets	316	-
Capital work-in-progress	4	1
Intangible assets under development	11	5
Cash and cash equivalents	229	306
Bank balances other than cash and cash equivalents	244	277
Investments	225	202
Trade receivables	1,351	1,529

Annexures

About AXISCADES Engineering Technologies Ltd.

AXISCADES is India's leading product engineering solutions company catering to the futuristic needs of aerospace, defence, heavy engineering, automotive, energy, medical & healthcare sectors. 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 2,300 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