

June 14, 2021

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

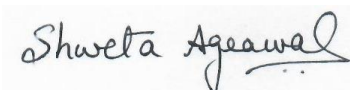
Dear Sir,

**Sub: Press Release – Q4FY21 Results**

With reference to the captioned subject, please find enclosed the Press Release with respect to Robust results driven by strong operating performance Results Release.

This is for your information and necessary records.

Yours faithfully,  
For **AXISCADES Technologies Limited**



**Shweta Agrawal**  
Company Secretary

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



## Robust results driven by strong operating performance Results Release

### Key Highlights

- *Strong Q-o-Q Revenue growth at 19% & 18% in INR and USD terms respectively.*
- *EBITDA margins for Q4 FY21 at 15.2% (INR 231 Mn) is driven by a combination of topline growth and better operating efficiencies during the year*
- *EBITDA for FY21 is similar to FY20 (Pre-Covid) at about 14.6% on account of various initiatives taken by the company.*
- *2 New customers added in Q4 FY21 and a total of 7 customers during the year*
- *67% growth in Adjusted PAT to INR 93.2Mn for the quarter .*
- *Despite pandemic conditions, reduced debt by 49% to INR 728Mn during FY21*

### Bengaluru, June 14, 2021

AXISCADES, a technology Company focusing on Product Engineering Solutions and serving Global OEMs announced its Q4FY21 and full year FY21 financial results. The company posted a robust performance as reflected in 19% growth in income primarily on the back of robust performance in Products & Solutions segment. Despite challenging macro environment, AXISCADES leveraged its established capabilities and continuing thrust on cost rationalisation to maintain its EBITDA margins and cashflow generation on both a corresponding and sequential quarter basis.

#### I. Performance Highlights:

##### Q4 FY 21 vs Q3 FY 21

- Strong performance by Products & solutions segment lead to 18.3% increase in Q4 FY21 Total **income** to INR 1,520 Mn from INR 1,285 Mn in Q3 FY21.
- **EBITDA Margins:** EBITDA margins for Q4FY21 stood at 15.2% driven by various cost rationalization measures and prioritized spending for investment in services & expanded offerings.
- **Adjusted PAT** or PAT after excluding the impact of exceptional item, for the quarter under review is Rs 93.2 Mn, growth of 67% Q-o-Q

## **FY 21 vs FY 20**

- Operating income in FY21 declined by 22% to INR 5,238Mn from INR 6,729Mn in FY20 on the back of demand collapse in aerospace sector owing to pandemic induced lockdown across countries.
- **Cash & Cash equivalents and bank balances** improved to INR 848 Mn from INR 702 Mn owing to substantial cash generation from operations.
- The PAT for the quarter and for the full year was impacted by the impairment of the Company's investment in Mistral owing to its underperformance vis-a-vis the projections given at the time of acquisition. Accordingly, the Company recognized an impairment loss on goodwill amounting to INR 625 Mn for the year ended March 31, 2021. This was partly offset by reduction in contingent purchase consideration payable by INR 217 Mn. **Accordingly, a net impairment of INR 408 Mn was recognized. This does not have any cash flow impact.**

## **II. Reduction in Debt levels**

Despite the pandemic and challenging conditions witnessed in FY21, there was a 49% reduction in debt to INR 728 Mn from Rs 1,442Mn as at 31<sup>st</sup> Mar'20, as the cash generated from operations were used to repay term loan and reduce working capital.

## **III. Update on Litigation**

The Company has initiated arbitration proceedings against shareholders of MSPL and MSPL and the Arbitral Tribunal vide its interim order dated August 28, 2020 has asked to maintain the status quo with respect to shareholding in MSPL and has ordered shareholders of Mistral not to seek dismissal or rejection of abovementioned application for merger till further orders are issued by the Arbitral Tribunal. Additionally, both the parties are ordered to maintain status quo with respect to the existing constitution of the Board of Directors of MSPL. The matter is pending before the Arbitral Tribunal and the final outcome of the matter is not known currently.

#### IV. Business Updates

- Onboarded new customers in Heavy Engineering vertical. Growth driven by recovery of key accounts and ramp up of new engagements initiated in 2020.
- Launched three new products – Elevated Skin Temperature Sensor, Social Distancing Application and Remote Operations Desk, from the recently established Digital Lab aimed to provide comprehensive solution to Clients in the prevalent conditions. **Witnessing good traction with about 85+ installations. We expect to increase the installations to 500+ by end of FY22. Continuous traction can be seen in the pipeline and order book.**
- The first product is ‘WecareEST’ - an Elevated Skin Temperature Sensor, a non-touch skin temperature measuring device with Web and Mobile Applications. The second product is a Social Distancing Application, a video analysis-based application that indicates any violation of specified social distance. And the third product is a Remote Operations Desk which enables the monitoring and control of operations of a factory environment from remotely located Desktop.
- Forged partnerships with niche companies to address upcoming opportunities in Strategic technologies in areas such as Anti drone systems, Simulators, Virtual Trainers and Naval Systems.

**Commenting on the results and outlook, Mr. David Bradley, Chairman of AXISCADES said:** “Given the pandemic and the challenging economic conditions, The management team has done a commendable job during the year under review. Owing to the work undertaken over the last 2 years, the Company is better positioned to capitalise on the opportunity that would be unfolding over the next couple of years”

#### I. Operations By Region FY21 vs FY20

**North America:** Revenue contribution stands at 46% in FY21 as compared to 42% in FY20.

**Europe:** Contributed 33% of FY21 revenues as compared to 41% in FY20. Decline of 800 bps is primarily due to demand collapse in Aerospace owing to Covid 19 pandemic induced lockdown and travel restrictions across geographies.

**Asia-Pacific:** Contributed 21% of FY21 revenues as compared to 17% in FY20.

## V. Operations By Business

**Aerospace** – The Lockdowns and consequent travel restrictions have negatively impacted the aviation sector, leading to cancellation of new orders. Manufacturing plants were either shut down for a few days in a week or were operating at lower capacity utilisation and this continues to fluctuate based on the pace of economy recovery and on pandemic related shutdowns & restrictions. Despite the turbulence in the sector, AXISCADES registered a revenue of INR 1,171 Mn though this was an overall decline of 44% compared to FY20.

**Heavy Engineering** – Heavy engineering revenue stands at INR 2,195 Mn in FY21 compared to INR 2,555 Mn in FY20. Revenue declined due to Covid-19 impact.

**Products & Solutions** – During the year Strategic Technology solutions registered a revenue of INR 1,545 Mn and de-grew by 8% Y-o-Y and accounted for 30% of the revenues.

## VI. Market Outlook for Key Industries:

### **AEROSPACE**

Aerospace registered a growth of 7.4% Q-o-Q after 4 quarters of decline. Off late witnessing increased activity and based on interactions with customers and available information the prospects for FY22 looks better as compared to FY21.

### **HEG**

HEG saw growth of 9% Q-o-Q. This continues to be our largest vertical as on date and we see increased traction in this vertical. Growth is expected in this vertical owing to gradual opening of economies in US and Europe. Further, use of digital tools in area of manufacturing is opening new areas of discussion & engagement. We expect growth in the areas of manufacturing and related engineering services.

### **PRODUCTS AND SOLUTIONS**

Products and solutions saw robust growth of 37% Q-o-Q. Positive traction in this vertical is expected on the back of an increase in defence related budgets by the various countries.

Government of India opening up the defence industry for private sector coupled with recent Make in India push for defence modernisation is expected to benefit domestic private players, including your Company. Recent announcement of 108 Military items (plus earlier 101 items,

totalling 209 items) to be made under Atmanirbhar Bharat is a huge opportunity for domestic private players like ours. India's defense export market which is currently INR 11,000 Cr is expected to be INR 35,000 Cr by 2025. Over the last couple of months, Company has participated in multiple bids and are hopeful of some wins.

### **About AXISCADES Technologies**

AXISCADES is leading technology solutions company focussing on global ER&D sector and strategic technology markets. The Group is at the cutting edge of R&D to address the futuristic needs of its clients in the evolving world of digital, innovation and technology. Building on its 1,700+ engineers worldwide and deep industry-specific expertise, AXISCADES enables organizations to materialize their business ambitions through a range of innovative services from strategy to operations. Headquartered in Bengaluru, AXISCADES has 14 delivery centres worldwide including North America, Europe and Asia.

### **For further information, please contact:**

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