

August 5, 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,

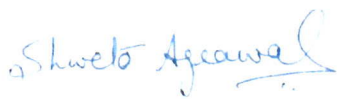
Sub.: Q1 FY20 Result Presentation

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

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

Kindly upload presentation to the terminals.

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



Shweta Agrawal
Company Secretary

AXISCADES Engineering Technologies Limited

CIN No.: L72200KA1990 PLC084435

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Q1 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

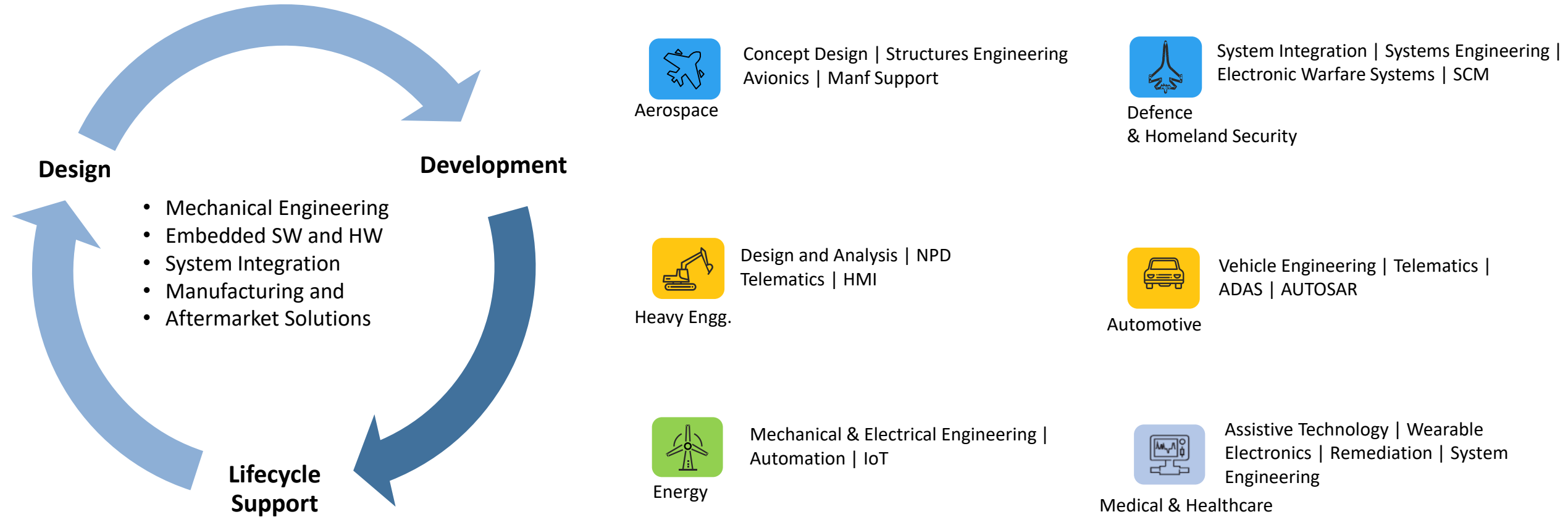
Key Highlights

Consolidated Financials

Revenue Segmentation

Annexures

AXISCADES is a leading Technology & Engineering Solutions company engaged in DeepTech, Automation & Design Engineering for Global Aerospace & Automobile Giants building strong domain expertise



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

Commenting on the Q1 FY20 performance, Mr. David Bradley, Chairman AXISCADES “We have got off to a good start in Q1, however, more can be done to ensure that we take full advantage of the wider market potential. Existing customers have new and more complex engagement opportunities that we must adapt ourselves to convert. The trusted relationships and inherent engineering will allow the team to deliver the required growth trajectory for both 2020 and beyond”.

Key Highlights Q1 FY20

Business Highlights

- ❑ **Strengthened our position in Aerospace sector**
 - 3 New logos, of which 2 has potential to grow to \$ 5 Mn.
 - Signatory delegation, signifying capability and process maturity
 - Expanding existing relationship
- ❑ **Improved traction in Manufacturing Automation and IoT offerings**
- ❑ **Enhanced footprint in Heavy Engineering across global locations**
- ❑ **Confident to deliver about 15 – 18% growth in Revenue in FY20**

Financial Highlights

- ❑ **Y-o- Y Revenue from Operations**
 - Up 25.9% from INR 1,226 Mn to INR 1,544 Mn
 - Up 19.7% from USD 18.3 Mn to USD 21.9 Mn
- ❑ **Operating Income**
 - Y-o-Y jumped from 0.2% to 10.8%*
 - Q-o-Q improved from 8.0% to 10.8%*
- ❑ **PBT**
 - Y-o-Y improved to INR 25 Mn as against INR (104 Mn)
 - Q-o-Q improved to INR 25 Mn as against INR 2 Mn in the previous quarter

** Adjusted for impact of IND AS 116, the Operating Income is 8.6%*

Consolidated Financial Performance – Q1 FY20

	Q1 FY20	Q4 FY19	Q1 FY19
Revenue from operations (\$ Million)	\$ 21.9	\$ 23.1	\$ 18.3
In Million Rs			
Revenue from operations	1,544	1,624	1,226
Other Income	13	49	21
Total Income	1,556	1,673	1,248
Employee Expenses	853	907	795
Direct Expenses (Material Cost)	250	276	132
Project consultancy Charges	44	48	67
Other expenses	241	308	251
Total expenses	1,388	1,539	1,245
Operating Income	169	134	3
PBT	25	2	(104)
PAT (Before Minority Interest)	11	8	(79)
PAT (After Minority Interest)	9	7	(80)
Basic EPS	0.25	0.18	(2.13)
Operating Income %	10.8%	8.0%	0.2%
PBT %	1.6%	0.1%	-8.4%
PAT % (After Minority Interest)	0.7%	0.5%	-6.4%

Explanatory Notes

- 25.9% growth in Revenue from operations Y-o-Y in INR terms
- Q-o-Q increase in reported EBITDA by 280 bps to 10.8%. (Increase in normalized EBITDA by 60 bps to 8.6%)
- Operating Income is impacted by 2.2% (INR 35 Mn) due to IND AS 116
- 10x growth in PBT Q-o-Q

Financial Metrics

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

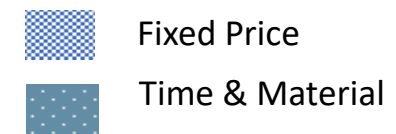
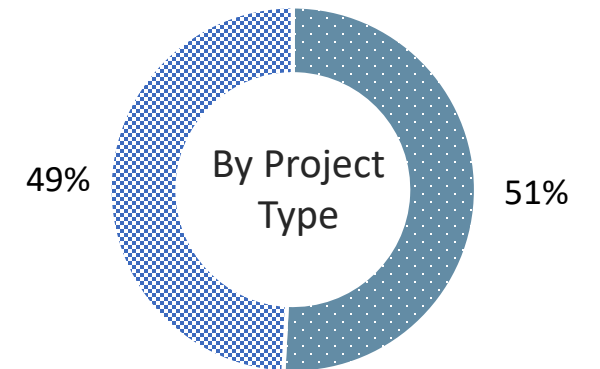
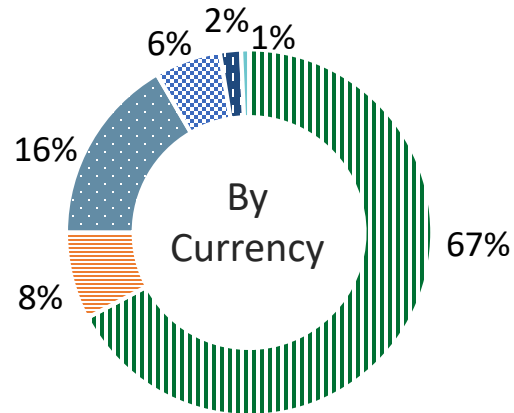
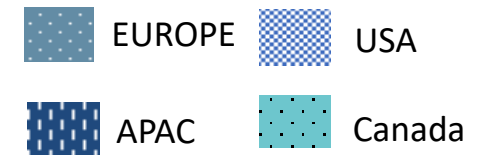
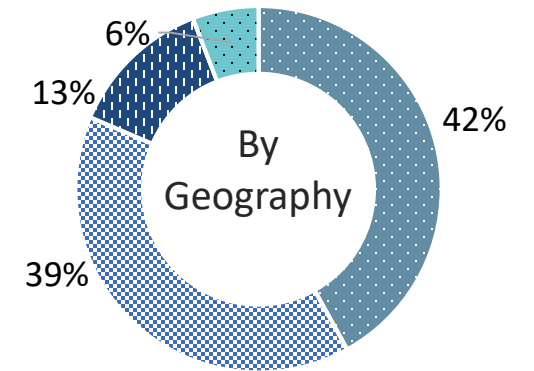
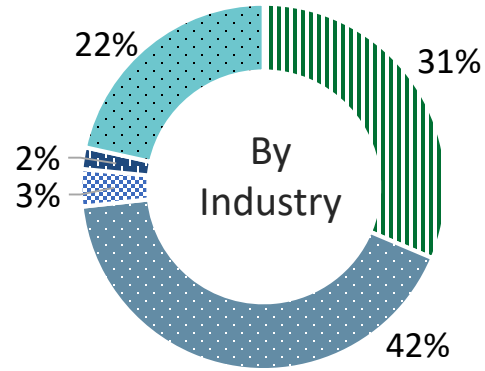
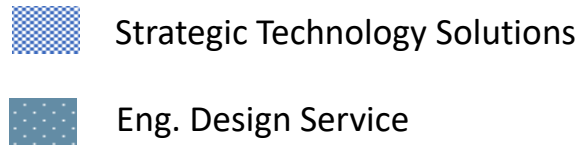
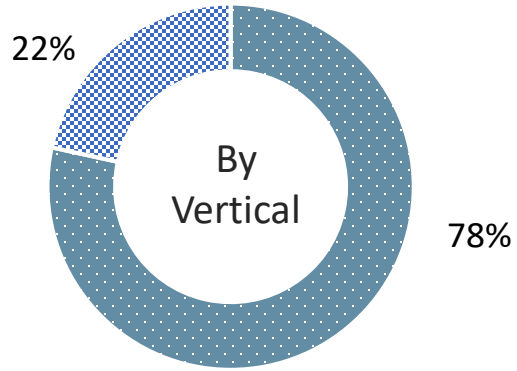
Gross Margin = Total Income Less : Employee cost involved in delivery, Outsourcing, Project travel, Software licenses and Facilities cost

Note :

* The decline over preceding quarter is attributed to lower income from Strategic Technology vertical, which typically is better in H2

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

Diversified Revenue - Q1 FY20



Consolidated Balance Sheet Snapshot

Particulars	30-Jun-19 <i>(INR Mn)</i>	31-Mar-19 <i>(INR Mn)</i>
Net Worth	2841	2847
Total debt	1281	1315
- Long term loan	438	490
- Short term loan	843	825
Trade payables	346	353
Fixed assets (Net of Depreciation)	1693	1732
Goodwill on consolidation	1658	1659
Right-of-use Assets	272	-
Capital work-in-progress	14	1
Intangible assets under development	5	5
Cash and cash equivalents	342	583
Investments	235	202
Trade receivables	1,612	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 2,200 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