

November 08, 2023

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/Madam,

Sub: Q2 FY24 Results Presentation

Please find attached the consolidated results presentation for quarter and half year ended September 30, 2023, of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter and half year ended September 30, 2023.

Kindly upload presentation to the terminals.

Yours faithfully,
For **AXISCADES Technologies Limited**

Sonal Dudani
Company Secretary & Compliance Officer

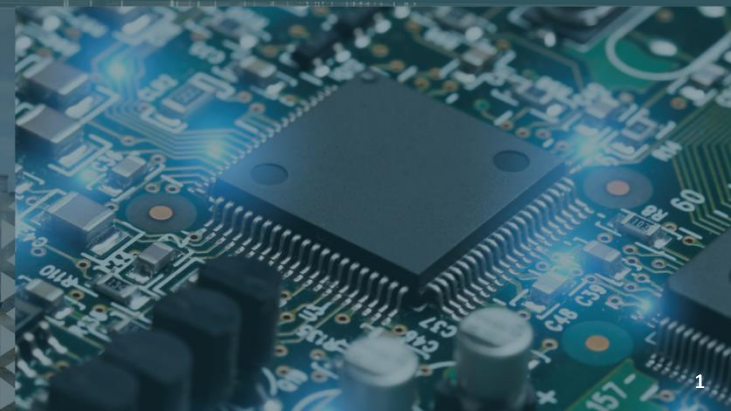
Encl: A/a

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

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Q2 FY24 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.

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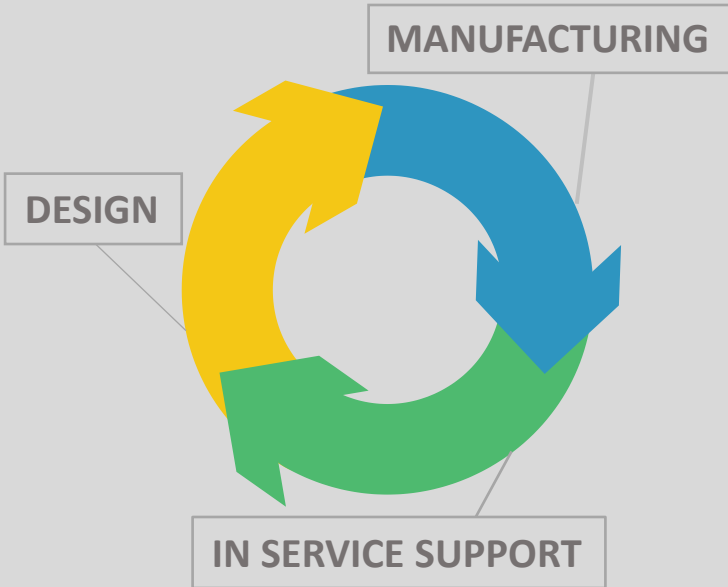
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AXISCADES Overview

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



- Mechanical Engineering
- Embedded SW and HW
- System Integration
- Digitization
- Manufacturing and
- Aftermarket Solutions

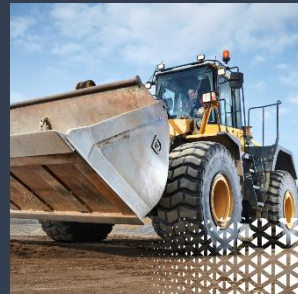
AEROSPACE

- Design & Analysis - Primary & Secondary Structures, Aircraft Interiors
- MSI and ESI, Electrical harness
- Manufacturing Engineering
- In-Service support - Repairs



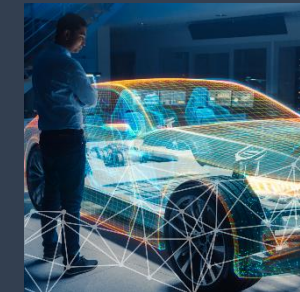
DEFENCE & HOMELAND SECURITY

- Avionics, Radar/EW, C4I2
- Automated Test Solutions
- Simulators, UAVs
- GSE/GHE
- System Integration
- Offset Management



HEAVY ENGG.

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



AUTOMOTIVE

- Design, Analysis
- BIW/CIW
- Interior & Exterior
- Engines, Powertrain
- Cost Optimization & Localization

ENERGY

- Design, Analysis - Tower, Generator, Hub, Spinner, Nacelle, Yaw, Blade
- Mechanical & Electrical Routing
- Wind Resource Analysis
- Advanced FE Simulations



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 Management

Commenting on the results and outlook, Mr. Abidali Neemuchwala, Chairman of AXISCADES said:

“I am excited to join AXISCADES as Chairman of the Board. Over the last year, the company has enlarged its scope of operations, and has grown significantly by providing cutting-edge solutions to its marquee global clients. I am enthused and look forward to working closely with the Leadership Team to take the Company to new heights, in its quest to generate value for all stakeholders.”



Message from Management

Commenting on the results and outlook, Mr. Arun Krishnamurthi, CEO & MD of AXISCADES said:

“We are delighted to report a broad-based performance, achieving the highest ever quarterly revenue during the quarter. We have completed the acquisition of *add solution GmbH* which will strengthen our service offerings and bring opportunities to deliver enhanced value to our combined global client base. The board has also approved the acquisition of EPCOGEN., a niche service provider in Energy space, specializing in engineering design and solutions. This proposed acquisition will strengthen our presence in energy vertical, provide access to Middle East and North American Energy markets. We are investing in developing new capabilities and building new partnerships to offer new age solutions to our clients to leverage on emerging technologies. Our new verticals continue to show positive momentum. We are well positioned to execute and capitalize on the opportunities that lie ahead of us, to generate value for all our stakeholders.”

Key Financials Highlights for Q2 FY24

- Q2 FY24 USD revenue at \$30.6 Mn, growth of 26.0% Y-o-Y
- Q2 FY24 Revenue at INR 2,515 Mn, **highest ever**, growth of 29.8% Y-o-Y
- H1 FY24 USD revenue at \$56.8 Mn, growth of 18.7% Y-o-Y
- H1 FY24 revenue at INR 4,651 Mn, growth of 23.4% Y-o-Y
- Q2 FY24 EBITDA at INR 358 Mn, with EBITDA Margin at 14.2%
- H1 FY24 EBITDA at INR 688 Mn, up by 14.5% with EBITDA Margin at 14.8% compared to 15.9% in H1 FY23
- Q2 FY24 PAT at INR 112 Mn, compared to INR 211 Mn in Q2 FY23
- H1 FY24 PAT at INR 169 Mn, compared to INR (106) Mn in H1 FY23

Key Operational Highlights for Q2 FY24

- Appointed Mr. Abidali Neemuchwala as Chairman of the Board and Non-Executive Director at AXISCADES. With a distinguished career spanning over three decades in the technology industry, he has earned enviable reputation for his expertise in aligning organizations, driving business results, and consistently leading transformational initiatives.
- Signed a strategic partnership with with Cantier, a Singapore-based powerhouse in Manufacturing Execution Systems (MES), with a specialization in Industry 4.0 integration to create a synergy that promises to elevate precision, efficiency, and innovation in the manufacturing sector.
- Received 3rd consecutive Diamond supplier award from Bombardier for 2022. This recognition is a testament to our unwavering commitment to excellence, innovation, and delivering with the highest standards of quality.
- Completed the acquisition of *add solution GmbH*. This will provide us with a strategic foothold in the automotive space, with significant offshoring opportunities and access to marquee global automotive OEMs.
- Acquisition of EPCOGEN Private Limited is underway. It is a niche solutions provider focused on engineering design and solutions for energy space. This will aid in building a deeper presence in the energy vertical both with competency and array of customers and access to Middle East and North American energy markets.
- Inaugurated Engineering Design Centre in Saltney, UK to serve the long-term requirements of the Aerospace Industry and various promising opportunities in the region.

Consolidated Financial Performance – Q2 FY24

Particulars (INR Mn)	Q2 FY23	Q1 FY24	Q2 FY24
Revenue	1,937	2,136	2,515
Other Operating Income	21	10	10
Other Income	42	17	11
Total Revenue	1,999	2,163	2,536
Cost of Material consumed	336	396	601
Employee Benefit Exp	899	1,089	1,238
Other Expenses	328	322	318
EBITDA	374	330	358
EBITDA Margin	19.3%	15.4%	14.2%
Depreciation and Amortization	71	71	87
EBIT	303	259	271
EBIT Margin	15.6%	12.1%	10.8%
Finance cost	85	201	116
Profit before non-controlling interest / share in net profit of associate / Exceptional items	281	85	176
Share in net Profit/(Loss) of associate	-	-	-
Exceptional Items	-	-	-
Tax	70	28	64
PAT	211	57	112
PAT Margin	10.5%	2.6%	4.4%
EPS	5.52	1.47	2.89

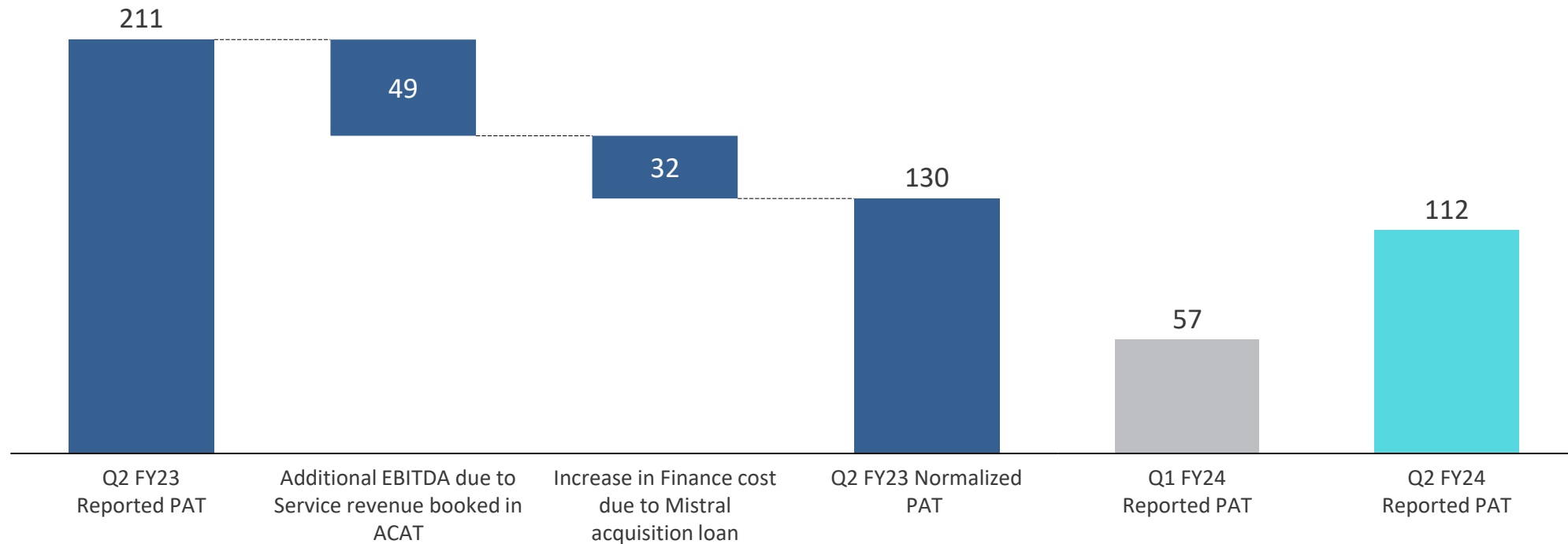
Key highlights Q2 FY24 Y-o-Y

- Strong Revenue growth of 29.8% driven by double digit growth across verticals except HEG
- Material cost has increased mainly due to increase in production order
- EBITDA stands at INR 358 Mn; 14.2%
- PAT stands at INR 112 Mn compared to INR 211 Mn in Q2 FY23.

Key highlights Q2 FY24 Q-o-Q

- Revenue growth of 17.7%, due to increase in Automotive, PES, Energy and Defence vertical
- EBITDA stands at INR 358 Mn; 14.2%,
- Finance cost stands at INR 116 Mn compared to INR 201 in Q1 FY24
- PAT stands at INR 112 Mn compared to INR 57 Mn in Q1 FY 24, grew by 96% Q-o-Q

Reconciliation of PAT (in INR mn)



- In Q2 FY23, AXISCADES Aerospace & Technologies Pvt Ltd (ACAT) had booked higher service revenue, with an EBITDA margin of 41%.
- Increase in finance cost due to debt funding for Mistral acquisition (re-financed in Q1 FY24, at lower cost). The normalised PAT in Q2FY23 was at INR 130 million
- In Q2 FY24, the material cost has increased due to increase in production orders in Mistral and increase in employee expenses on account of annual increments and investments in building competencies in Embedded and Digital for future growth

Revenue Details Q2 FY24

Revenue	Q2 FY23	Q1 FY24	Q2 FY24	Q-o-Q	Y-o-Y
US\$ Mn	\$ 24.3	\$ 26.2	\$ 30.6	16.8%	26.0%
INR Million	1,937	2,136	2,515	17.7%	29.8%

Revenue by Vertical	Q2 FY23	Q1 FY24	Q2 FY24	Q-o-Q	Y-o-Y
Engineering Design Services	74.3%	71.3%	70.8%	16.7%	22.8%
Strategic Technology Solutions	25.7%	28.7%	29.2%	20.0%	47.0%

Revenue by Industry (INR Mn)	Q2 FY23	Q1 FY24	Q2 FY24	Q-o-Q	Y-o-Y
Aerospace	27.3%	29.8%	25.6%	0.9%	21.6%
HEG & Others	23.4%	18.5%	15.7%	0.0%	-12.8%
Product Engineering Services	17.4%	14.4%	16.4%	34.1%	22.4%
AIP	3.6%	6.2%	10.7%	101.1%	285.9%
Energy	2.4%	2.3%	2.4%	19.0%	27.4%
Products and Solutions	25.9%	28.7%	29.2%	20.0%	47.0%

Revenue By Geography	Q2 FY23	Q1 FY24	Q2 FY24	Q-o-Q	Y-o-Y
Europe	36.0%	33.5%	37.4%	31.2%	34.9%
USA	36.5%	30.9%	29.8%	13.1%	5.7%
APAC	22.8%	31.1%	28.5%	7.6%	62.2%
Canada	4.7%	4.5%	4.3%	14.0%	18.9%

Revenue by Location	Q2 FY23	Q1 FY24	Q2 FY24
Offshore	75.2%	76.6%	77.0%
Onsite	24.8%	23.4%	23.0%

Revenue by Project	Q2 FY23	Q1 FY24	Q2 FY24
Fixed Price	58.7%	64.2%	68.4%
Time & Material	41.3%	35.8%	31.6%

Key Takeaways

- Overall revenue growth 29.8% Y-o-Y, in INR terms majorly driven by increased traction mainly in our newer vertical Automotive and Energy and increased wallet share in existing vertical Aerospace and Products and Solutions (Defence)
- Engineering Design has grown by 16.7% Y-o-Y mainly due to ramp up in existing customers in Aerospace, and uptick in revenue from recently added clients in AIP and Energy verticals
- Aerospace continues to show upward trends and is up by 21.6% Y-o-Y. The growth is on account of recovery in our Canada aerospace client and newer area business from existing client
- Muted performance in the HEG segment attributable to lower offtake & delayed/deferred client projects
- Automotive & Industrial Products (AIP) grew by 285.9% Y-o-Y driven by ramp up in recently added clients in the areas of Embedded, mechanical & Hardware and consolidation of add solution GmbH
- Revenue from Products and Solutions has grown by 47.0% Y-o-Y, boosted by the production orders of our existing Design wins.
- All geographies have grown from the previous periods

Business Performance and Outlook

Aerospace

The Aerospace vertical grew by 21.6% Y-o-Y. The outlook of this vertical is positive on account of production ramp up across the programs and we are hopeful of maintaining positive momentum in this vertical for coming quarters. The synergies between AXISCADES and Mistral are showing positive result, we are leveraging our aerospace skill to support Mistral on Drone development activities. We have recently opened Engineering Design Centre in Saltney, UK to serve the long-term requirements of the Aerospace Industry and various promising opportunities in the region. The availability of skilled resources continue to remain challenging.

Heavy Engineering (HEG)

Heavy Engineering Business continues to face headwinds, thus delaying growth trajectory. As part of our digital first strategy, we have onboarded digital and analytics specialist and we are taking efforts to scale up the business further in FY24.

AIP & Energy

Automotive vertical witnessed strong growth of 285.9% Y-o-Y, driven by expected ramp up of recently added clients in this vertical. Recent acquisition of add Solution GmbH will strengthen our automotive capabilities and provide a strategic foothold to us in the automotive space with significant offshoring opportunities besides getting us access to automotive contracts with marquee global automotive OEMs.

The Energy Vertical registered a 27.4% growth Y-o-Y. Our proposed acquisitions of EPCOGEN will help us to get deeper presence in vertical, access to marquee clients and energy markets in Middle East and North America.

Product Engineering Services

Product & Engineering services business, under Mistral, grew by 22.4% Y-o-Y. The NRE services revenue continues to be healthy. We expect a softer H2 FY24 due to over stocking by customers during the component shortage period that was seen in 2022. The production volumes are expected to be back to normal levels by mid of next year.

Product & Solutions (Defense)

Revenue from Products and Solutions (Defence) has grown by 47.0% Y-o-Y, boosted by the production orders of our existing Design wins. We continue to have a healthy pipeline & orderbook ensuring sustained growth over the next few years. We are also exploring opportunities for export of our Defence systems and services.

About AXISCADES Technologies Ltd.

AXISCADES is a leading, end to end technology and engineering solutions provider aiding creation of innovative, sustainable and safer products worldwide. AXISCADES is headquartered in Bangalore with subsidiaries in USA, UK, Canada, Germany, India and China; and offices in Germany, France, Denmark, USA and Canada.

AXISCADES has a diverse team of over 3,000 professionals working across 17 locations across North America, Europe, UK and Asia-Pacific, striving to reduce the program risk and time to market. The company offers Product Engineering Solutions across Embedded Software and Hardware, Digitization and Automation, Mechanical Engineering, System Integration, Test Solutions, Manufacturing Engineering, Technical Publications, and Aftermarket Solutions.

The solutions comprehensive portfolio covers the complete product development lifecycle from concept evaluation to manufacturing support and certification for Fortune 500 Companies in the Aerospace, Defense, Heavy Engineering, Automotive, Energy and Semiconductor industries. The company is known for its robust system of certifications, best practices and domain expertise that addresses futuristic customer requirements.

For further information, please contact:

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