

June 3, 2018

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 Limited
Exchange Plaza, 5 Floor, Plot C/1, G Block
Bandra – Kurla Complex, Bandra(E),
Mumbai 400 051
NSE Symbol: AXISCADES

Dear Sir,

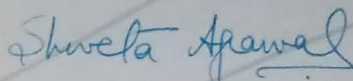
Sub.: Q4 & FY 2018 Result Presentation

Please find attached the consolidated results presentation for Quarter and year ending March 31, 2018, of AXISCADES Engineering Technologies Ltd., (AXISCADES).

This Presentation is the information for shareholders on the performance of the company for quarter and year ending March 31, 2018.

Kindly upload presentation to the terminals.

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



Shweta Agrawal
Company Secretary

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

CIN No. : L72200KA1990PLC084435

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Q4 FY18 RESULTS

AXISCADES Engineering Technologies Limited

CIN NO : L72200KA1990PLC084435



AXISCADES

Inspired Solutions. By Design

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 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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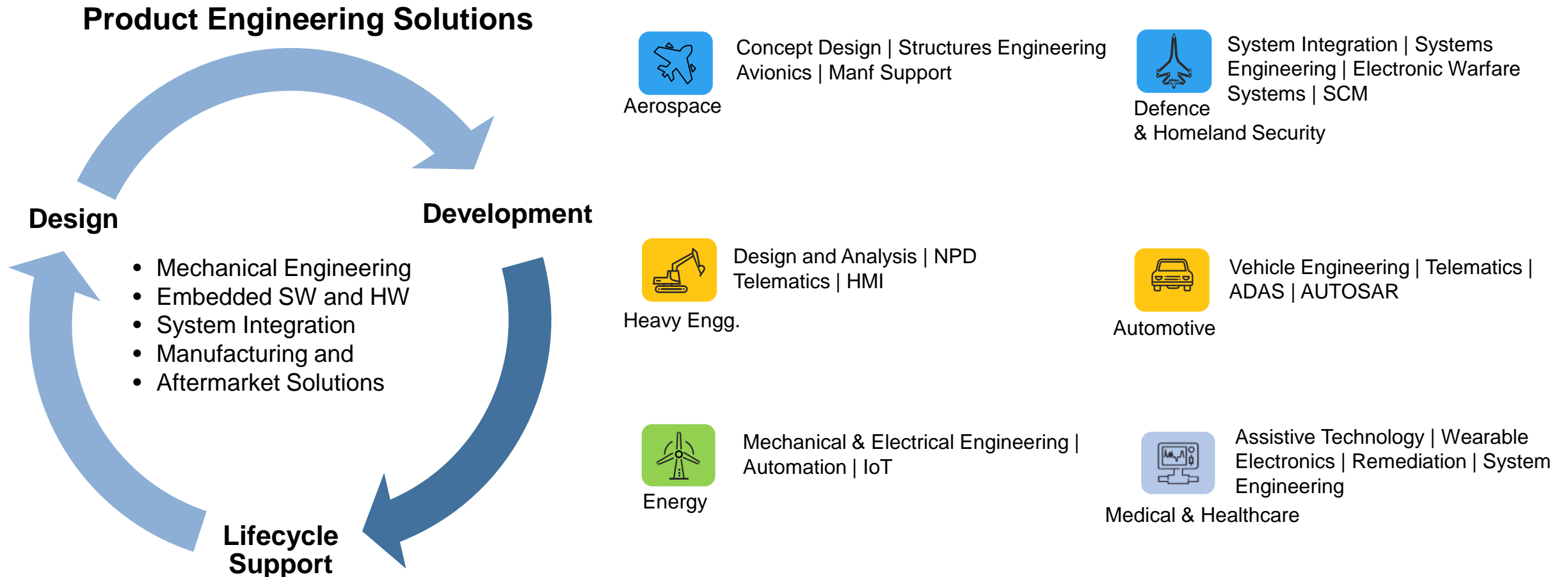
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AXISCADES Overview

AXISCADES is a leading Product Engineering Solutions company.



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

Vice Chairman's Message

Commenting on the Q4 FY18 performance, Mr. Sudhakar Gande, Executive Vice Chairman, AXISCADES Engineering Technologies Ltd.,

“The revenue performance during fourth quarter was upbeat, though was skewed. The margins however got impacted due to difficulties faced with the two clients coupled with higher cost during the quarter due to organizational restructuring. The Management is seized of the matter and has taken cost reduction initiatives. The impact of these steps should be visible in the next few quarters.”

Commenting on the Q4 FY18 performance, Mr. Mritunjay Singh, CEO & ED, AXISCADES Engineering Technologies Ltd.,

“Digitalization is impacting high technology and manufacturing industries across their product development lifecycle. Leveraging our domain expertise and competencies in mechanical, electrical, embedded electronics and software, we are venturing into the digitalization arena and building end-to-end engineering solutions. With a focus on addressing Industry 4.0 we are also forging partnerships for Industrial IoT and cyber defense security solutions and implementation.”

Key Highlights

Financial Highlights Q4 FY18

- ❑ **Consolidated Total Income at INR 1,569 Mn vs INR 1,451 Mn in Q3 FY18 and INR 1,191 Mn in Q4 FY17, higher by 8.1% QoQ and 31.7% YoY led by acquisition of Mistral Solutions**
 - In dollar terms, revenue from operations grew 3.6% QoQ and 40.9% YoY to US\$ 23.1 Mn
 - Revenue from operations stood at INR 1,485 Mn, higher by 3.0% QoQ and 35.2% YoY
- ❑ **Operating Income in Q4 FY18 were impacted by one-offs to the tune of INR 128 Mn during the quarter**
 - Primarily attributable to provisioning of receivables from two Hi-tech start-up customers in US.

Business Highlights

- ❑ Seeing signs of growth coming back in Heavy Engineering segment.
- ❑ Signed MOU with AERAACCESS to address Drone opportunity in surveillance, security & disaster management.
- ❑ Signed Industrial co-operation Agreement with SIDES, a French company for addressing opportunities in Airfield Crash Fire Vehicle & Trucks, viz Fire Fighting Trucks, civil defense trucks and industrial fire trucks.
- ❑ Opened office in Columbus, Indiana state, USA
- ❑ Enhanced focus on the PLM vertical leading to receipt of 1st purchase order.
- ❑ Positive momentum in Defense vertical with multiple domestic defense contracts in the production stage across various research labs. Mistral acquisition has added momentum to the Defense play.

Consolidated Financials

Consolidated Financial Performance – Q4 FY18

| Financial Performance | | | |
|---|----------------------|----------------------|----------------------|
| | Q4 FY18 [#] | Q3 FY18 [#] | Q4 FY17 [*] |
| Revenue from operations (\$ Million) | \$ 23.1 | \$ 22.3 | \$ 16.4 |
| <i>In Million Rs</i> | | | |
| Revenue from operations | 1,485 | 1,442 | 1,098 |
| Other Income | 84 | 10 | 92 |
| Total Income | 1,569 | 1,451 | 1,191 |
| Employee Expenses | 828 | 712 | 599 |
| Direct Expenses | 259 | 182 | 94 |
| Project consultancy Charges | 67 | 163 | 107 |
| Other expenses | 402 | 239 | 264 |
| Total expenses | 1,557 | 1,297 | 1,064 |
| Operating Income | 13 | 155 | 127 |
| PBT | (93) | 50 | 86 |
| PAT (Before Minority Interest) | (125) | 37 | 31 |
| PAT (After Minority Interest) | (126) | 36 | 31 |
| Basic EPS | (3.33) | 0.95 | 0.81 |
| Operating Income % | 0.8% | 10.7% | 10.6% |
| PBT % | -6.0% | 3.4% | 7.2% |
| PAT % (After Minority Interest) | -8.0% | 2.5% | 2.6% |

Note: Consolidated performance for Q3 FY18 includes the performance of Mistral Solutions Private Limited for the month of December 2017 and Q4 FY18 performance includes the performance of Mistral Solutions Private Limited for 3 months, hence prior period ratios are not strictly comparable.

* Q4 17 performance has been presented after incorporating the applicable Ind AS adjustments

Explanatory Notes

- Consolidated revenue from operations in INR terms in Q4 FY18 grew 3.0% QoQ and 35.2% YoY
 - Led by the acquisition of Mistral Solutions (consolidation effective 1st December, 2017)

- Operating Income declined by 91.6% QoQ and 89.8% YoY on account of certain one-offs
 - One time impact of INR 128 Mn in Q4, primarily because of provisioning of receivables from two Hi-tech start-ups customers in US, in line with conservative accounting practices.
 - Excluding one-time impact, Operating income would have been INR 141 Mn and PBT would have been INR 35 Mn

- Q4 18 PBT was also impacted by INR 34 Mn due to non-cash accounting treatment pertaining to the Mistral acquisition.

Consolidated Financial Performance – FY18

| Financial Performance | | |
|---|----------------|----------------|
| | FY 18 # | FY 17 |
| Revenue from operations (\$ Million) | \$ 79.9 | \$ 72.1 |
| <i>In Million Rs</i> | | |
| Revenue from operations | 5,192 | 4,868 |
| Other Income | 151 | 146 |
| Total Income | 5,342 | 5,014 |
| Employee Expenses | 2,837 | 2,511 |
| Direct Expenses | 549 | 670 |
| Project consultancy Charges | 546 | 398 |
| Other expenses | 1,085 | 902 |
| Total expenses | 5,016 | 4,480 |
| Operating Income | 327 | 534 |
| PBT | (28) | 288 |
| PAT (Before Minority Interest) | (78) | 145 |
| PAT (After Minority Interest) | (82) | 141 |
| Basic EPS | (2.18) | 3.74 |
| Operating Income % | 6.1% | 10.6% |
| PBT % | -0.5% | 5.8% |
| PAT % (After Minority Interest) | -1.5% | 2.8% |

Note: Consolidated performance for FY18 includes the performance of Mistral Solutions Private Limited for the period December 2017 till March 2018 hence prior period financials are not strictly comparable. FY 17 performance has been presented after incorporating the applicable Ind AS adjustments

Explanatory Notes

- ❑ In FY18, consolidated revenue from operations grew by 6.7% in INR terms and 10.8% in US\$ terms
 - Led by the acquisition of Mistral Solutions (consolidated effective 1st December, 2017)
- ❑ Operating Income has declined by 38.8% mainly due to
 - One time impact of INR 128 Mn in Q4 FY18, primarily due to provisioning of receivables from two Hi-tech start-up customers in US.
- ❑ PBT declined by INR 316 Mn mainly due to decline in operating income and additionally;
 - Non-Cash impact of acquisition cost of Mistral also impacted the Margins by INR 47 Mn in FY18
 - Merger expenses INR 30 Mn
- ❑ **Excluding one-time impact, Operating income would have been INR 455 Mn**
- ❑ **Excluding one-time impact and merger expenses, PBT would have been INR 130 Mn**

P&L Highlights

| Key ratios (%) | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|--------------------------------------|---------|---------|---------|-------|-------|
| Total Income (Rs. Mn.) | 1,569 | 1,451 | 1,191 | 5,342 | 5,014 |
| Gross margin | 32.7% | 31.0% | 33.1% | 30.0% | 33.2% |
| Selling expenses | 6.8% | 5.9% | 7.3% | 7.8% | 7.2% |
| G&A expenses (Including provisions)* | 25.1% | 14.4% | 15.9% | 16.1% | 15.4% |
| EBITDA Margin | 0.8% | 10.7% | 9.9% | 6.1% | 10.6% |
| PBT margin | -6.0% | 4.3% | 5.3% | 0.0% | 5.5% |
| PAT (Before Minority Interest) | -8.0% | 2.5% | 1.3% | -1.5% | 2.6% |
| EPS (Rs.) Basic | -3.33 | 0.95 | 0.81 | -2.18 | 3.74 |
| EPS (Rs.) Diluted | -3.33 | 0.92 | 0.81 | -2.18 | 3.74 |

Note :

Gross Margin is calculated on Total Income

* Q4 FY18 G&A expenses without one time provisions and expenses would have been at 15.8%

Consolidated performance for Q3 FY18 includes the performance of Mistral Solutions Private Limited for the month of December 2017 and Q4 FY18 performance includes the performance of Mistral Solutions Private Limited for 3 months, hence prior period ratios are not strictly comparable.

Consolidated Balance Sheet Snapshot

| | 31-Mar-18 | 31-Mar-17 |
|------------------------------------|--------------|-------------|
| | (INR Mn) | (INR Mn) |
| Net Worth | 2917 | 3015 |
| Total debt | 1378 | 812 |
| - Long term loan | 726 | 272 |
| - Working Capital | 652 | 540 |
| Net debt | 759 | 48 |
| Trade payables | 500 | 275 |
| Fixed assets (Net of Depreciation) | 3437 | 1594 |
| Capital work-in-progress | 5 | 59 |
| Cash and cash equivalents | 619 | 719 |
| Trade receivables | 1,659 | 842 |

Note: Consolidated performance for FY18 includes the performance of Mistral Solutions Private Limited for the period December 2017 till March 2018 hence prior period financials are not strictly comparable.
 FY 17 performance has been presented after incorporating the applicable Ind AS adjustments

Revenue Segmentation

| Revenue By Vertical (%) | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|--------------------------------|---------|---------|---------|-------|-------|
| Engineering Design Services | 67.0% | 79.2% | 82.8% | 79.4% | 77.2% |
| Strategic Technology Solutions | 33.0% | 20.8% | 17.2% | 20.6% | 22.8% |

| Revenue By Industry (%) | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|------------------------------------|---------|---------|---------|-------|-------|
| Aerospace | 30.7% | 33.4% | 38.1% | 40.1% | 38.6% |
| Heavy Engineering & Others * | 30.3% | 36.1% | 34.6% | 38.4% | 30.4% |
| Automotive and Industrial Products | 2.4% | 3.0% | 3.9% | 3.6% | 3.5% |
| Energy | 3.5% | 6.2% | 5.9% | 7.6% | 4.5% |
| Strategic Tech Solutions | 33.1% | 21.3% | 17.5% | 10.3% | 23.0% |

- Others includes Medical & Semiconductors

Consolidated performance for Q3 FY18 includes the performance of Mistral Solutions Private Limited for the month of December 2017 and Q4 FY18 performance includes the performance of Mistral Solutions Private Limited for 3 months, hence prior period ratios are not strictly comparable.

Operational Metrics

| Revenue by Delivery Location | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|------------------------------|---------|---------|---------|-------|-------|
| Onshore | 48.9% | 43.0% | 46.8% | 48.1% | 43.2% |
| Offshore | 51.1% | 57.0% | 53.2% | 51.9% | 56.8% |

| Revenue by Currency | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|---------------------|---------|---------|---------|-------|-------|
| USD | 58.8% | 71.6% | 78.0% | 65.8% | 61.9% |
| EURO | 8.5% | 11.8% | 8.0% | 12.6% | 22.9% |
| INR | 23.5% | 8.6% | 3.6% | 12.8% | 5.5% |
| GBP | 3.2% | 2.4% | 3.5% | 3.0% | 3.3% |
| CAD | 5.6% | 5.2% | 6.8% | 5.6% | 6.5% |
| Others | 0.4% | 0.4% | 0.0% | 0.2% | 0.0% |

Consolidated performance for Q3 FY18 includes the performance of Mistral Solutions Private Limited for the month of December 2017 and Q4 FY18 performance includes the performance of Mistral Solutions Private Limited for 3 months, hence prior period ratios are not strictly comparable.

Operational Metrics (contd..)

| Revenue by Geography | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|----------------------|---------|---------|---------|-------|-------|
| EUROPE | 35.4% | 40.9% | 49.8% | 43.0% | 58.7% |
| USA | 31.6% | 41.3% | 33.8% | 34.4% | 23.5% |
| APAC | 27.4% | 12.6% | 9.6% | 17.1% | 11.3% |
| CANADA | 5.6% | 5.2% | 6.8% | 5.7% | 6.5% |

| Revenue by Project type | Q4 FY18 | Q3 FY18 | Q4 FY17 | FY18 | FY17 |
|-------------------------|---------|---------|---------|-------|-------|
| Time and Material | 44.3% | 44.0% | 55.0% | 48.8% | 47.8% |
| Fixed Price | 55.7% | 56.0% | 45.0% | 51.2% | 52.2% |

Consolidated performance for Q3 FY18 includes the performance of Mistral Solutions Private Limited for the month of December 2017 and Q4 FY18 performance includes the performance of Mistral Solutions Private Limited for 3 months, hence prior period ratios are not strictly comparable.

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 |

Thank You