



AXISCADES

Inspired Solutions. By Design



Q1- FY16 RESULTS

AXISCADES Engineering Technologies Limited
(formerly Axis It&T Limited)

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 (AXISCADES) 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.

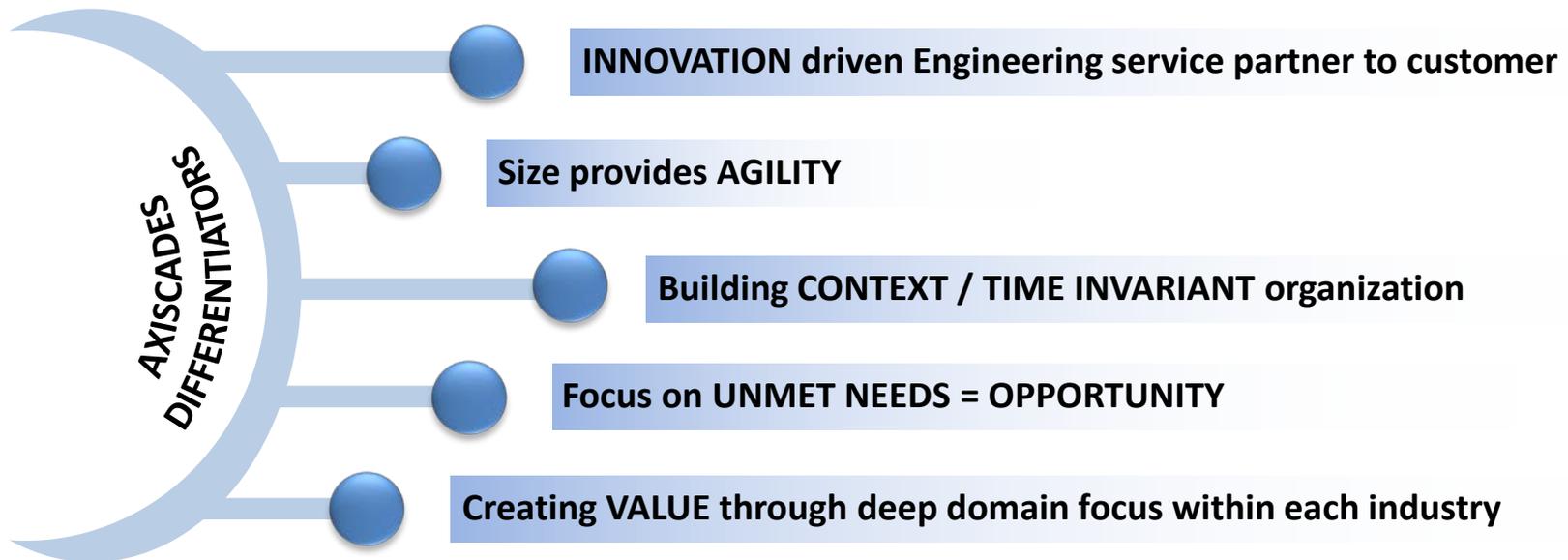
AXISCADES – Service Portfolio and Strategy

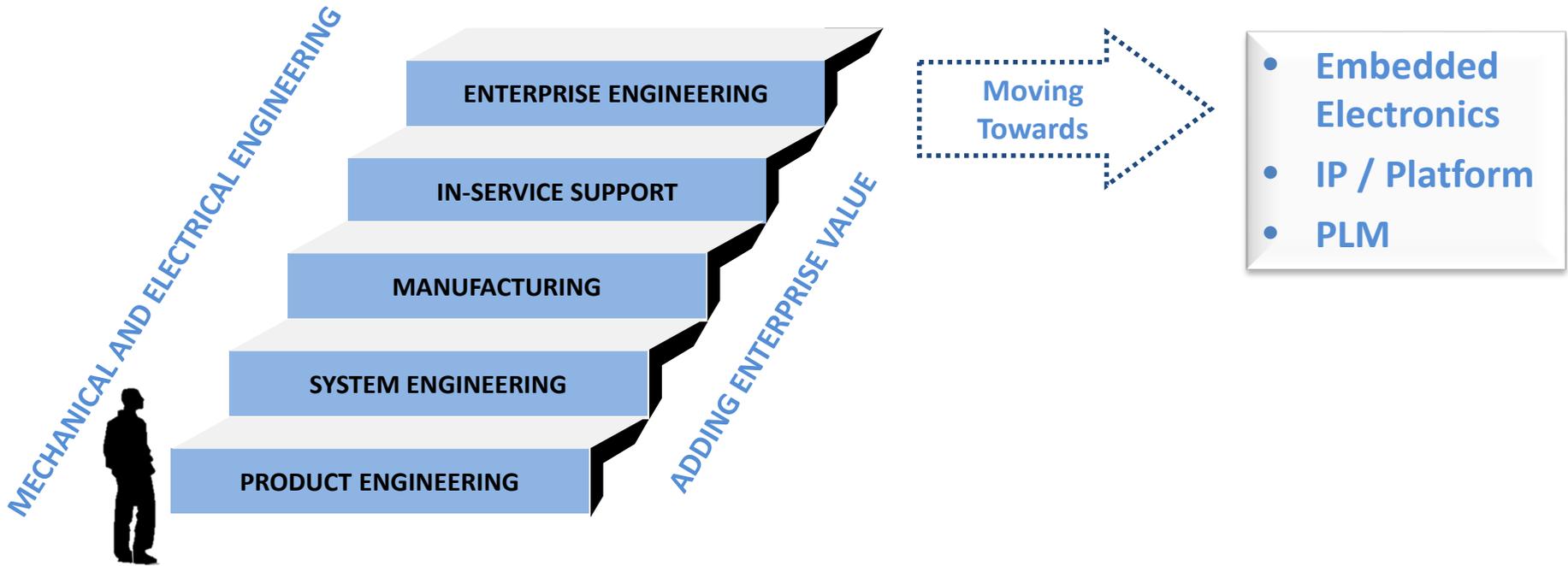
Q1 FY16 Highlights

Financials

EVOLUTION OF ENGINEERING SERVICES OUTSOURCING

Time line	Till 2002	2003-14	Future
Driver	Cost arbitrage	Staff augmentation	Innovation led / IP based
Objective	Non-core services outsourced	Reduce time to market	Product innovation - share risk & reward





INDUSTRY AGNOSTIC - CROSS SELL SOLUTION SETS

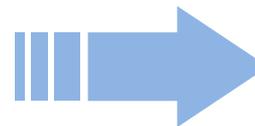
AEROSPACE

HEAVY ENGINEERING

RENEWABLE ENERGY

AUTOMOTIVE

INDUSTRIAL PRODUCTS



ENTER MORE
VERTICALS AS PER
MATURITY OF
SERVICE OFFERING

FRAMEWORK TO DRIVE ABOVE INDUSTRY GROWTH RATE

GO-TO-MARKET

- ‘Named-accounts approach’
 - Identifying key accounts with large potential to grow
 - Mining existing accounts for larger share of wallet
- Expand footprint in US
 - Increased investments
 - Strong demand drivers

PORTFOLIO

- “Concept to end-of-life” – value addition is the key
 - Specialized solution sets – Move up the value chain
 - Hire domain experts
 - Vertical/Industry agnostic – develop unique competency in each vertical
 - Integrating services into platforms - replicable solution sets across industries

BUSINESS MODEL

- Drive non-linear growth
 - Move away from staff augmentation and cost arbitrage
- T&M → Fixed Price Projects
→ Offshore Delivery Center's
→ **Co-create (risk & reward, outcome-based models)**

DELIVERY

- Lean organization – enhance productivity
- Resource and infrastructure planning closely linked to evaluation of deal pipeline

BEST-IN-CLASS SYSTEMS AND PROCESSES

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Financial Highlights Q1 16

- ❑ Revenue up 19% YoY and 3% QoQ to INR 857 million
- ❑ EBITDA at INR 129 million, up 6% Q-o-Q, up 70% Y-o-Y. Margins at 15.0 %, up 40 bps Q-o-Q, up 440 bps Y-o-Y
- ❑ Earnings per share at INR. 2.28, as compared to INR 2.19 in Q4 FY15 and INR 1.83 in Q1 FY15

Q1FY16 Highlights

- ❑ Net Addition of 45 Direct Headcount. Further, looking to add 150+ employees in Q2 FY16.
- ❑ Other Expenses reduced by 6% on account of efficiency in Hardware Rentals, travel expenses
- ❑ Focused on mining existing accounts for greater share of wallet across newer services

Customer Acquisition

- ❑ Significant deal win in the Renewable Energy segment – setting up an ODC to service large European Engineering MNC
- ❑ Added 3 new logos during the quarter
- ❑ Continued investments in sales and marketing is resulting in a strong pipeline in Americas and Europe

Particulars	Q1 16	Q4 15	Q1 15
<i>Revenue from operations (\$'M)</i>	\$ 13.6	\$ 13.5	\$ 12.0
Income statement in Million Rs			
<i>Revenue from operations</i>	857	832	718
<i>Other Operating income</i>	4	-	-
Total Income	861	832	718
<i>Employee Expenses</i>	519	484	498
<i>Other expenses</i>	213	226	144
Total expenses	732	710	642
EBITDA	129	121	76
EBITDA %	15.0%	14.6%	10.6%
Other Income	3	6	3
Depreciation	26	28	20
Finance cost	4	5	7
Exceptional items	-	6	-
PBT	101	88	52
Tax	39	28	14
PAT	63	60	37
PAT %	7.3%	7.2%	5.2%

Q1 16 Variance :-

- ❑ **Employee Expenses (Q-o-Q)** - Employee expenses increased by 7% in Q1 16 primarily due to additional headcount and addition of senior employees in sales & support.
- ❑ **Other Expense (Q-o-Q)** - Other Expenses reduced by 6% on account of efficiency in Hardware Rentals, travel expenses

Key ratios (%)	Q1 FY16	Q4 FY15	Q1 FY15
Gross margin	35%	35%	29%
Selling expenses	6%	6%	5%
G&A expenses	14%	14%	13%
EBITDA margin	15.0%	14.6%	10.6%
PBT margin	11.8%	10.5%	7.2%
PAT	7.3%	7.2%	5.2%
Basic EPS (Rs.)	2.28	2.19	1.83

Particulars (Rs. million)	30-Jun-15	31-Mar-15
Net Worth	1,339	1,253
Total debt	281	267
- <i>Term loan</i>	14	15
- <i>Working Capital</i>	267	252
Capital Employed	1353	1268
Trade payables	143	124
Fixed assets	228	248
Cash and cash equivalents	283	266
Trade receivables	836	607

AXISCADES Engineering Technologies Limited (AXISCADES) is one of India's leading engineering solutions providers, catering to the futuristic needs of Aerospace, Heavy Engineering, Automotive and Industrial Production sectors.

AXISCADES has been formed through the convergence of two entities – Axis-IT&T (Engineering services for Heavy Engineering and Industrial Products) and CADES (Engineering services for Aerospace and Automotive domains) – to leverage on their processes, technology and customer relationships.

Based in Bangalore, AXISCADES has offices worldwide including North America, Europe and Asia. With over nearly three decades of experience in engineering excellence and unparalleled domain expertise, a passion to challenge the status quo, AXISCADES is best suited to become the first choice partners to global OEMs across the world.

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Key Terms	Explanation
EBITDA, EBITDA Margin	Earning before Interest and taxes is calculated from Clause 41, Profit from operations before other income, finance costs & exceptional items + Depreciation, Divided by Total Income from Operations.
Revenue	Revenue is Income from operations as mentioned in clause 41 1(a)
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
EPS	Earning Per share
Net Worth	Share holders Fund
Capital Employed	Share holders Fund plus long term loans



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Thank You