



AXISCADES

Inspired Solutions. By Design



Q1 FY17 RESULTS

AXISCADES Engineering Technologies Limited

(formerly Axis-IT&T 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.

Vice Chairman's Message

Q1 FY17 Highlights

Financials

Commenting on the Q1 FY17 performance, Mr. Sudhakar Gande, Vice Chairman, AXISCADES Engineering Technologies Ltd., *"We have started the year on a steady note delivering a revenue growth of 15% YoY. We continue our growth momentum and am pleased with our focus in the Aerospace vertical which is well recognized in the industry as key Engineering partner with the renewal of ODC contract for European Aerospace major with scope expansion across platform and aircraft structures. This reinstates our focus in expanding our offerings from Design to Product sustenance and after-market support areas. At the organization level, we continue to drive towards partnership approach for growth; providing better delivery experience through matured process implementation.*

Financial Highlights Q1 FY17

- ❑ Total Income up 0.3 % Q-o-Q and 15.2 % Y-o-Y to Rs. 992 million
- ❑ EBITDA at Rs. 100 million.
- ❑ Earning Per share at Rs. 1.69

Q1 FY17 Highlights

- ❑ EBITDA Impacted by:
 - ❑ Higher project consultancy charges incurred to add capabilities in new area
 - ❑ Significant investment in sales and delivery leadership for new business.

Other Highlights

- ❑ Added 2 new customers in the quarter, one each in Aerospace & Auto Vertical.
- ❑ AXISCADES renews dedicated Offshore Development Centre contract with European Aerospace OEM with expanded scope in face of tough competition from Indian and European suppliers.
- ❑ Expands operations in Germany with opening of new Delivery Centre.
- ❑ Strengthening Embedded and Electronics solutions offering with addition of senior industry Technical Heads to drive and grow the business across verticals.

Q-o-Q
 Total Income
 ↑ 0.3%

Q-o-Q
 EBITDA MARGIN
 ↓ 440 bps

Y-o-Y
 Total Income
 ↑ 15.2%

Y-o-Y
 EBITDA MARGIN
 ↓ 490 bps

Financial Performance

	Q1 17	Q4 16	Q1 16
Revenue from operations	\$ 14.7	\$ 14.7	\$ 13.6
In Million Rs			
Revenue from operations	986	990	857
Total Income	992	990	861
Employee Expenses	609	570	519
Project consultancy charges	114	80	51
Other expenses	169	196	162
Total expenses	892	846	732
EBITDA	100	143	129
PBT	79	121	101
PAT	46	76	62
EPS	1.69	2.79	2.28
EBITDA %	10.1%	14.5%	15.0%
PBT %	8.0%	12.2%	11.8%
PAT %	4.6%	7.7%	7.2%

Key Drivers

- ❑ **Revenue** – In \$ terms Growth of 0.3% QoQ and 8.5% YoY.
- ❑ **Employee Expenses (Q-o-Q)** - Increased by 6.7% in Q1 17 due to senior hiring.
- ❑ **Project Consultancy Charges (Q-o-Q)** – Increased by 42.6%, Incurred to incurred to add capabilities in new area.

Key ratios (%)	Q1 FY17	Q4 FY16	Q1 FY16	FY16
Gross margin	31.4%	35.3%	35%	35%
Selling expenses	6.8%	6.8%	6%	6.3%
G&A expenses	14.5 %	14%	14%	14 %
Operating Margin	10.1%	14.5%	15.0%	14.7%
PBT margin	8%	12.2%	11.8%	11.9%
PAT (After Minority Interest)	4.6%	7.6%	7.2%	7.6%
Basic EPS (Rs.)	1.69	2.79	2.28	10.51

Particulars (Rs. million)	30-Jun-16	31-Mar-16
Net Worth	1,629	1,577
Total debt	309	273
- Term loan	0	0
- Working Capital	309	273
Capital Employed	1,629	1,577
Trade payables	232	183
Fixed assets (Net of Depreciation)	216	224
Cash and cash equivalents	307	335
Trade receivables	947	842

Revenue By Geography (%)	Q1 FY17	Q4 FY16	Q1 FY16	FY16
Americas	33.2%	32.8%	37.4%	34.9%
Europe	54.1%	53.7%	48.5%	50.6%
APAC	12.6%	13.5%	14.1%	14.5%

Revenue By Industry (%)	Q1 FY17	Q4 FY16	Q1 FY16	FY16
Aerospace	51.4%	51.0%	51.7%	51%
Heavy Engineering	37.4%	37.0%	35.2%	37%
Automotive and Industrial Products	6.4%	7.5%	9.4%	8%
Renewable Energy	4.8%	4.5%	3.7%	4%

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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Annexures

Key Terms	Explanation
Operating Margin	Earning before Interest and taxes is calculated from Financial statement as per Regulation 33 of the listing agreement, Profit from operations before other income, finance costs & exceptional items + Depreciation, Divided by Total Income from Operations.
Operating Revenue	Revenue is Total Income from operations as mentioned in Financial statement as per Regulation 33 of the listing agreement.
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



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Thank You