



**AXISCADES**

Inspired Solutions. By Design



# Q3-FY16 RESULTS

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**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

Q3 FY16 Highlights

Financials

Revenue Segmentation

Commenting on the Q3 FY16 performance, Mr. Sudhakar Gande, Executive Vice Chairman, AXISCADES Engineering Technologies Ltd., *“Despite tough global economic scenario, we continue to grow with our focused approach of increasing value proposition to our customers. With expansion of our sales organization and past experiences in the Engineering space, we are confident of maintaining growth in the global engineering services landscape.*

*Our size provides the required agility to drive change and build scale. We are confident that the measures we are undertaking will drive better predictability and help drive superior growth.”*

## Financial Highlights Q3 FY16

- ❑ Operating Revenue up 2 % Q-o-Q and 17 % Y-o-Y to Rs. 977 million
- ❑ EBITDA at Rs. 144 million, up 3% Q-o-Q, up 21% Y-o-Y.
- ❑ Earning Per share at Rs. 2.76, up Rs 0.08 Q-o-Q, up Rs. 0.68 Y-o-Y

## Q3 FY16 Highlights

- ❑ EBITDA margins expanded to 14.7% in Q3 FY16 despite higher Project Consultancy cost and loss in billing owing to Chennai floods.
- ❑ Net Addition of 39 FTEs.
- ❑ Strong growth led by Aerospace verticals

## Other Highlights

- ❑ Addition of 7 new clients in Aerospace and Industrial Products vertical.
- ❑ Renewal of Preferred Engineering Supplier status with European Aerospace global OEM.
- ❑ Renews multi-year contract with its key customer with focus to increase revenues and provide Value Engineering advantage to Product Engineering & Development.

## Financial Highlights YTD FY16

- ❑ Operating Income up 19.2 % YoY to Rs. 2,795 million
- ❑ EBITDA at Rs. 411 million, up 38.7% YoY
- ❑ EPS for YTD FY16 (9M) stood at Rs. 7.72 as compared to Rs. 5.47 in YTD FY16 (9M).

## YTD FY16 Highlights

- ❑ Strong growth led by Aerospace verticals
- ❑ Net addition of 158 employees during 9M FY16
- ❑ Continued investments in sales and marketing resulting in robust pipeline

## Customer Acquisition

- ❑ Inaugurated new Engineering Offshore Development Centre, for Siemens Wind Power, in Hyderabad
- ❑ BoD approved the acquisition of AXISCADES Aerospace and Technologies Private Ltd, an aerospace, defence and homeland security technologies company, in an all-stock deal; pending regulatory approvals
- ❑ Strategically added three Tier1 suppliers of Major US Aerospace OEM as client during the year.

Particulars	Q3 16	Q2 16	Q3 15
<i>Revenue from operations (\$'M)</i>	\$ 14.7	\$ 14.5	\$ 13.5
Income statement in Million Rs			
<i>Revenue from operations</i>	966	942	835
<i>Other Operating income</i>	11	16	1
<b>Total Operating Revenue</b>	<b>977</b>	<b>957</b>	<b>835</b>
<i>Employee Expenses</i>	592	599	520
<i>Other expenses</i>	241	219	197
<b>Total expenses</b>	<b>833</b>	<b>818</b>	<b>717</b>
<b>EBITDA</b>	<b>144</b>	<b>139</b>	<b>119</b>
<b>EBITDA %</b>	<b>14.7%</b>	<b>14.5%</b>	<b>14.2%</b>
<i>Other Income</i>	3	3	3
<i>Depreciation</i>	26	25	27
<i>Finance cost</i>	3	5	4
<i>Exceptional items</i>	-	5	4
<b>PBT</b>	<b>118</b>	<b>107</b>	<b>86</b>
<i>Tax</i>	42	33	29
<i>Minority Interest</i>	1	1	2
<b>PAT after Minority Interest</b>	<b>75</b>	<b>73</b>	<b>56</b>
<b>PAT %</b>	<b>7.8%</b>	<b>7.6%</b>	<b>6.7%</b>

## Q3 FY16 Variance :-

- ❑ **Operating Revenue (Q-o-Q)** – Growth of 2% QoQ and 17% YoY led by strong growth in Aerospace Vertical
- ❑ **Other Expense (Q-o-Q)** – Project Consultancy cost increased in Q3 16 over Q2 16.
- ❑ **EBITDA** – Growth of 3% QoQ and 21% YoY; EBITDA margins higher by 20 basis points QoQ, despite higher other expenses and loss in billing owing to Chennai floods.

Particulars	YTD FY16 (9M)	YTD FY15 (9M)
Revenue from operations (\$'M)	\$ 42.8	\$ 38.5
<i>Income statement in Million Rs</i>		
Revenue from operations	2,764	2344
Other Operating income	31	1
<b>Total Operating Revenue</b>	<b>2,795</b>	<b>2345</b>
Employee Expenses	1,711	1,527
Other expenses	673	521
<b>Total expenses</b>	<b>2,384</b>	<b>2,048</b>
<b>EBITDA</b>	<b>411</b>	<b>297</b>
<b>EBITDA %</b>	<b>14.7%</b>	<b>12.7%</b>
Other Income	8	10
Depreciation	76	65
Finance cost	12	18
Exceptional items	5	24
<b>PBT</b>	<b>326</b>	<b>200</b>
Tax	113	62
Minority Interest	3	4
<b>PAT after Minority Interest</b>	<b>210</b>	<b>134</b>
<b>PAT %</b>	<b>7.5%</b>	<b>5.7%</b>

## YTD FY16 (9M) Variance :-

- ❑ **Operating Revenue** – Growth of 19.2 % in INR terms and 11.2% in \$ terms
- ❑ **Employee cost** – Employee cost up by 12% on account of Direct Headcount addition and new addition in leadership and sales team
- ❑ **EBITDA** – Growth of 38.7% YoY; EBITDA margins higher by 2.1% YoY
- ❑ **PAT** – Growth of 56.2 % YoY; PAT margins higher by 1.8 % YoY

Key ratios (%)	Q3 FY16	Q2 FY16	Q3 FY15
Gross margin	34.7%	34.5%	33.0%
Selling expenses	6.1%	6.0%	4.0%
G&A expenses	13.9%	14.0%	15.0%
EBITDA margin	14.7%	14.5%	14.2%
PBT margin	12.1%	11.2%	10.3%
PAT (After Minority Interest)	7.8%	7.6%	6.7%
Basic EPS (Rs.)	2.76	2.68	2.05

Particulars (Rs. million)	31-Dec-15	31-Mar-15*
Net Worth	1,487	1,253
Total debt	244	264
- Term loan	0	15
- Working Capital	244	249
Capital Employed	1,487	1,268
Trade payables	167	117
Fixed assets (Net of Depreciation)	230	248
Cash and cash equivalents	333	264
Trade receivables	908	606

\* Figures of the previous period have been regrouped / recast wherever necessary to make them comparable with those of the current period.

Revenue By Geography (%)	Q3 FY16	Q2 FY16	Q3 FY15
Americas	34%	36%	37%
Europe	53%	49%	46%
APAC	13%	15%	17%

Revenue By Industry (%)	Q3 FY16	Q2 FY16	Q3 FY15
Aerospace	52%	49%	49%
Heavy Engineering	37%	39%	34%
Automotive and Industrial Products	7%	8%	10%
Renewable Energy	4%	4%	7%

*Revenue by Geography has been regrouped as per customer geography*

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
EBITDA, EBITDA Margin	Earning before Interest and taxes is calculated from Quarterly Consolidated Financial Results of the company Pursuant to 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 Quarterly Consolidated Financial Results of the company Pursuant to 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**