

AXISCADES Analyst Meet

Monday, 13th November 2017
Mumbai



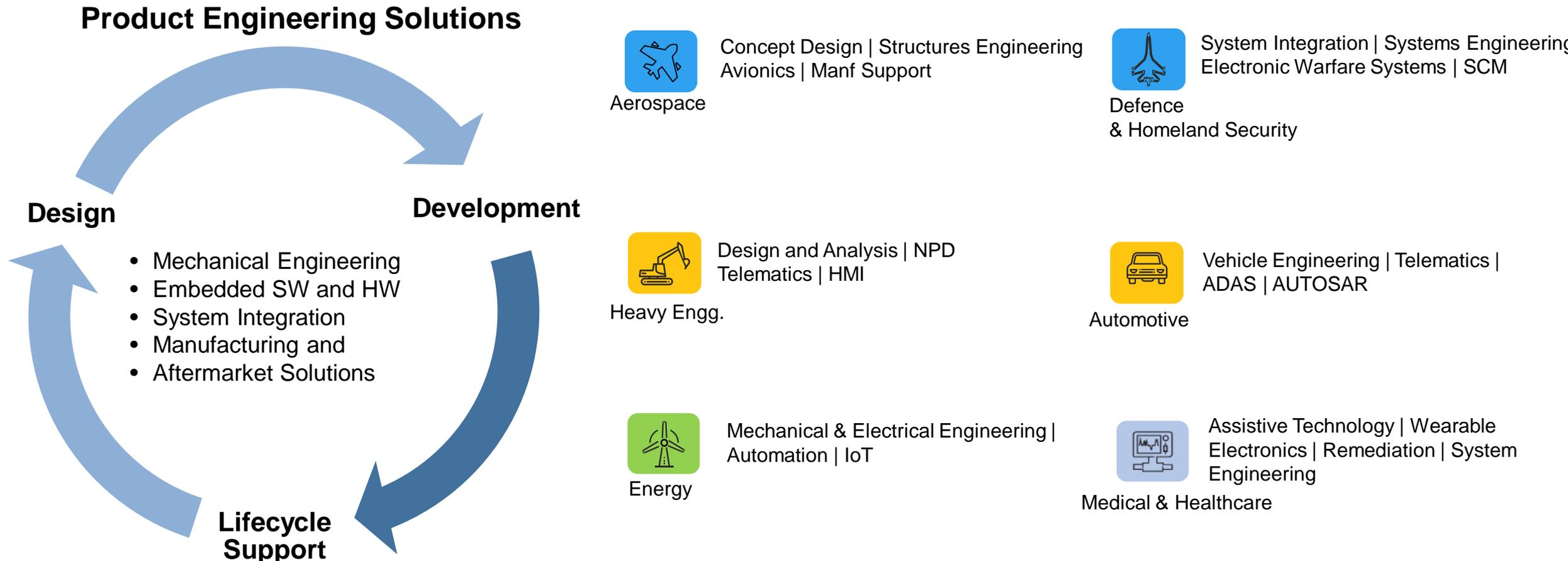
AXISCADES

Inspired Solutions. By Design

Certain statements in this presentation 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 labor 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.

AXISCADES is a leading Product Engineering Solutions company.



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

Preferred strategic partner



8 ODCs

Deep-rooted relationships with industry leaders

Enabling customers across transnational locations

Skilled Multinational teams



1900+

Engineers delivering customer delight

7 yrs of avg experience
PhD, Mtech and BE graduates

Process & Best practices



Industry specific certifications and best practises addressing customer requirements

ISO, ISO/IEC, AS9100C
ISO 13485, AUTOSAR
DO 178B, CEMILAC

Domain Expertise



6 verticals

Deep domain expertise and proven capabilities

Technology intensive industries - Aero, Def, Auto, HE, Energy, Medical & Healthcare

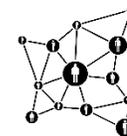
Global Footprint – Closer to customer



15 Global Engineering Centers across North America, Europe and APAC

Proximity centres at Toulouse, Hamburg, Augsburg, Peoria, and Denmark

Partner eco-system



18 partners

Reliable ecosystem delivering one stop solution

Business

- Won a dedicated Offshore Development Centre contract from Airbus with expanded scope of deliverables
- Signed MoU with Assystem Engineering and Operation Services SAS (France) for exploring opportunities in the Energy and Nuclear sector
- AXISCADES expands into APAC region, signs engineering services contract with Chinese subsidiary of European Aerospace OEM
- AXISCADES chosen as a global supplier partner by a large European defence systems manufacturer.
- Planned geographic expansion with new office at Indiana, USA. To setup NA HQ there.

Technology

- Signed industrial cooperation agreements with Dutch company E2M Technologies B.V. and Slovakian firm Virtual Reality Media for flight simulators
- Continue to expand our energy vertical from wind to conventional energy and nuclear. Added a large global OEM in this space during the quarter.



Mistral Solutions

Globally Recognized Embedded Design Company



SCIENTIFIC AMERICAN



Fremont

20+

Award Winning Designs

20

Years of experience in Embedded Engineering

100+

Designs Commercially Deployed

New Delhi
Hyderabad
Bangalore

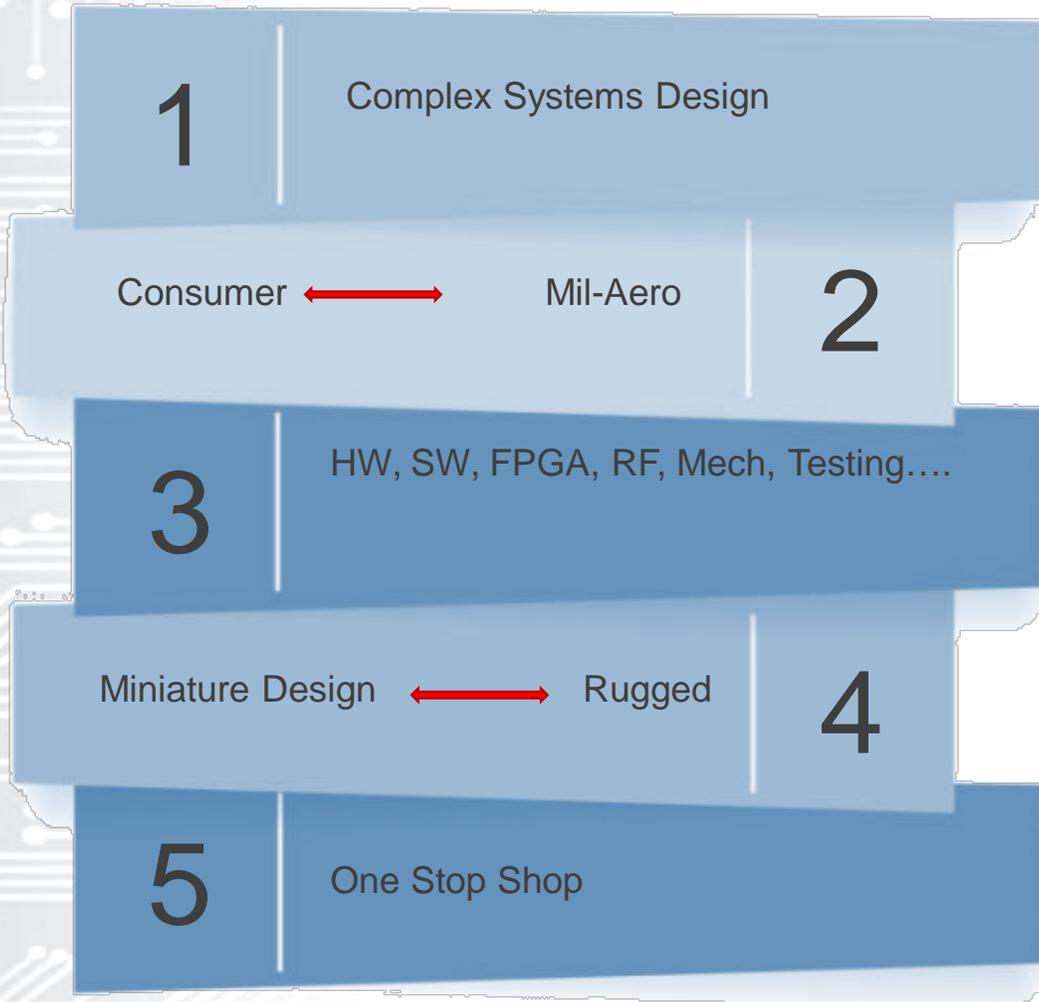
300+

Skilled Professionals to realize your product

Recognized R&D unit by the Department of Scientific and Industrial Research



Complete Product Design & System Engineering



- » Small footprint, power optimized designs
- » 50+ designs commercially deployed
- » Designs for a variety of silicon platforms



Small Footprint Drone Electronics



Dual SIM iPhone



Smart Refrigerator



Braille Notetaker



Portable Desktop Magnifier



In-vehicle Infotainment

Wearable Electronics



Light-weight Headset Computer



AV glasses for Military and Gaming

- » Deep domain expertise in Wearable Electronics Design
- » Miniature Electronics with Battery Optimization
- » Voice & Gesture recognition



Industrial Headset Computer



Police and Special Forces



Voice Activated Headset Computer

Airborne to Internet of Things

Consumer to Rugged Military Designs



Airborne Video Telemetry

In-flight Entertainment



Industrial Gateway



Wireless Video



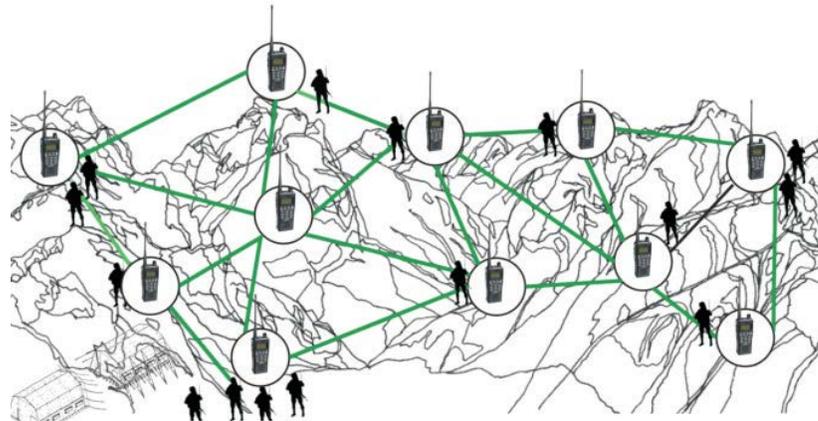
Smart Remote for Home Automation



Mobile Command Centers



Tethered Drones

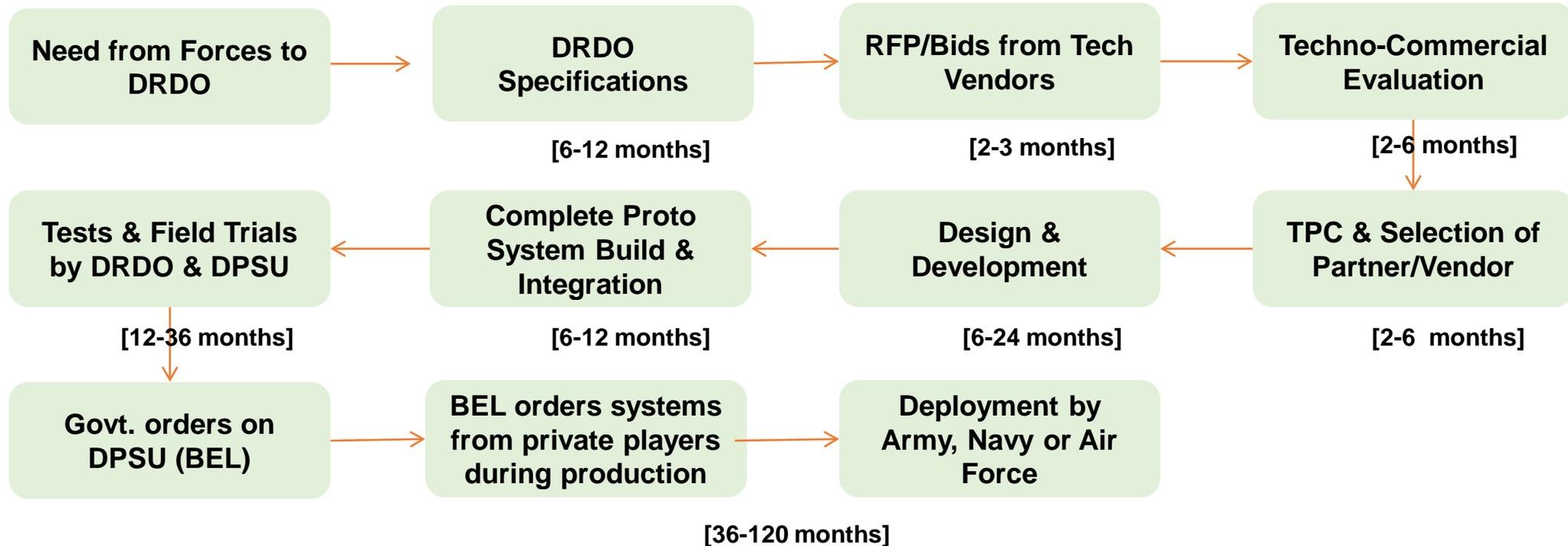


IP Mesh Radio



Understanding a Defence DESIGN WIN

R&D to DESIGN-WIN to PRODUCTION



- » *Gestation of 4-7 years: Design-wins established after design, build, test, qualification, integration, acceptance and deployment*
- » *Once design-win is secured, it cannot be replaced during the entire lifecycle of the program: typically of 15-30 years*
 - » Ensures significant visibility into future revenues
 - » Higher volumes and margins during production

Technology



Convergence of Mechanical and Embedded solutions for complete product development

Product Engineering with expertise in design, development, integration & lifecycle support



Embedded solutions addressing the critical phase of product development

- Internet of Things
- Connected Vehicles
- Assistive Technologies
- In Flight Entertainment
- Remote Monitoring

Defence offsets



Make In India and Defence offset opportunities

Address the offsets requirements of global defence OEMs and being part of their global supply chain



Design Wins for Indian Defence programs

- Offsets
- Make In India
- Indigenous product development
- Manufacturing support
- Global supply chain partner

Customers / Industries



Benefiting from scale, global reach and partnerships

Access to global customers: Aerospace, Defence, Heavy Engineering, Automotive, Energy, Medical and Healthcare



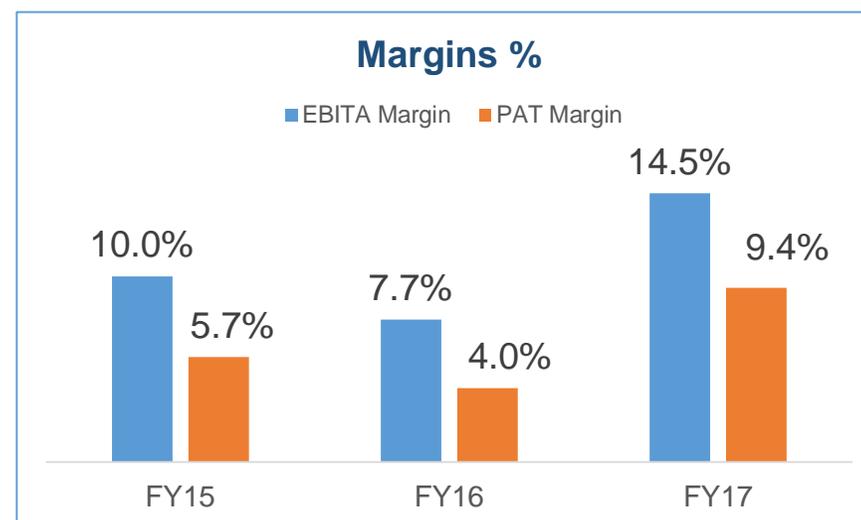
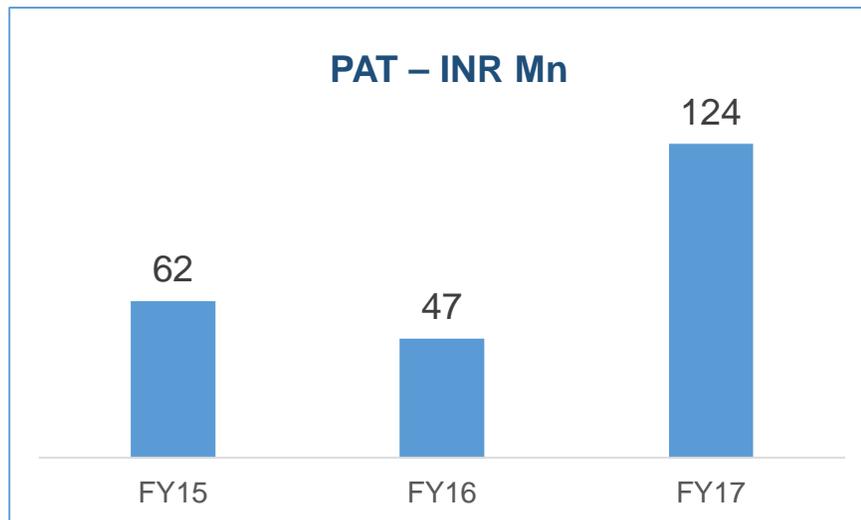
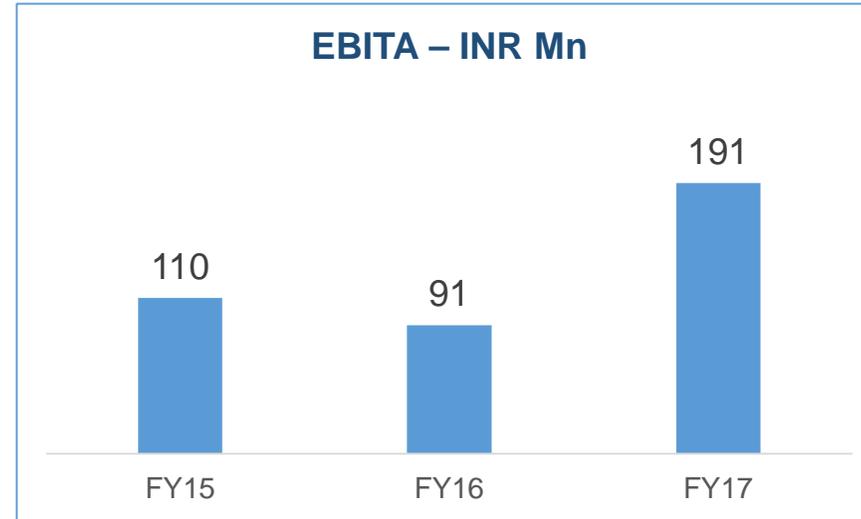
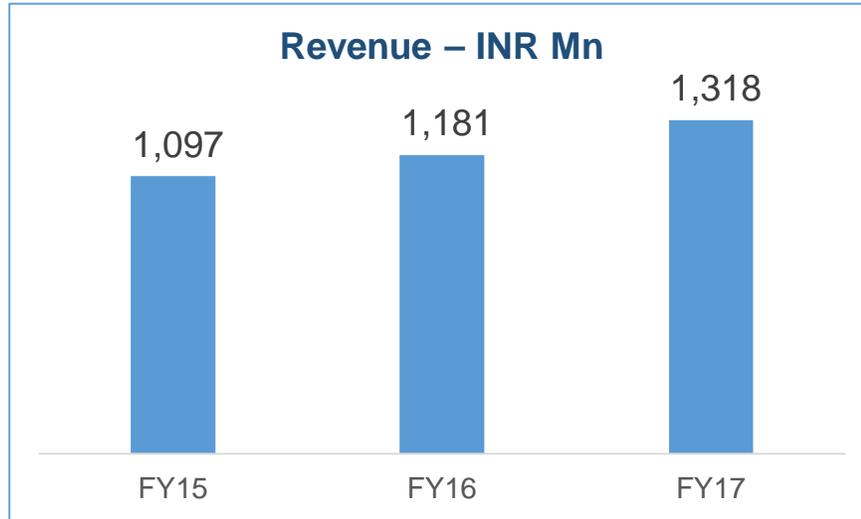
Access to Indian DRDO labs, DPSUs. Embedded and Electronics organizations

- Hi technology offerings
- Scale and global reach
- Pre-qualified supplier status
- Global delivery
- Business models

AXISCADES

Mistral

Mistral - Financials Summary



Net Worth (INR Mn)		
FY15	FY16	FY17
661	716	665*

*The company bought back shares from investors in FY17

Transaction Highlights

- 1) 100% of Mistral to be acquired in phases; Entry Equity Valuation INR 1,750 Mn

- 2) **Phase 1**
 - ACETL to acquire 43.38%* stake for cash consideration of Rs 701.3 Mn from current shareholders (Secondary Transaction)
 - Expected to close within 45 days
 - Transaction funding Phase 1 being mainly financed through long term debt and is fully tied up

- 3) ACETL to have Board Control post phase 1 and accordingly **to consolidate Mistral financials starting Q3 FY18**

- 4) **Phase 2** – ACETL to acquire 44.62%* pursuant to merger of Mistral Shareholder Company into ACETL.
 - Swap Ratio – 10 : 69, i.e. 10 equity shares of ACETL to be issued for every 69 shares of Mistral Shareholder Company
 - **ACETL is valued at Rs 207/- per share** . Based on swap ratio ACETL to issue 35,05,991 shares.
 - Shareholders of Mistral to hold 8.5% stake
 - Expected to take around 9 months from date of filing the documents with Stock Exchanges, subject to statutory approvals

- 5) Post Phase 1 and Phase 2, ACETL to **own 88%* Stake in Mistral**

- 6) Balance residual stake to be acquired at the end of year 3 and year 5 respectively, either by way of cash or stock at acquirer's discretions

* Based on Shareholding of Mistral as at 31st Mar'17; # On a fully diluted basis, i.e. exercise of ESOPs it would be about 73%.

Pro forma FY17 Financials - Value Accretive Acquisition



Parameters (INR in Millions)	ACETL Consolidated ¹ (FY17 Audited Financials)	MSPL Consolidated ¹ (FY17 Audited Financials)	Combined ² (AXISCADES + MSPL)
Total Income	4,990	1318	6,308
EBITDA	528	191 ^{\$}	719
PAT Post Minority Interest	131	124	255
EPS (Rs / Share)	3.48	27.86	6.2*
Gross Debt & Debt like	820	18	838 #
Cash Excluding. Restricted	676	196	872
Net Debt & Debt like	145	(178)	(33)
EBITDA Margin	10.6%	14.5%	11.4%
PAT Margin	2.6%	9.4%	4.0%

¹Numbers Taken from respective Audited Financial statements as at 31st March 2017

²Consolidation based on SHA and Board Control

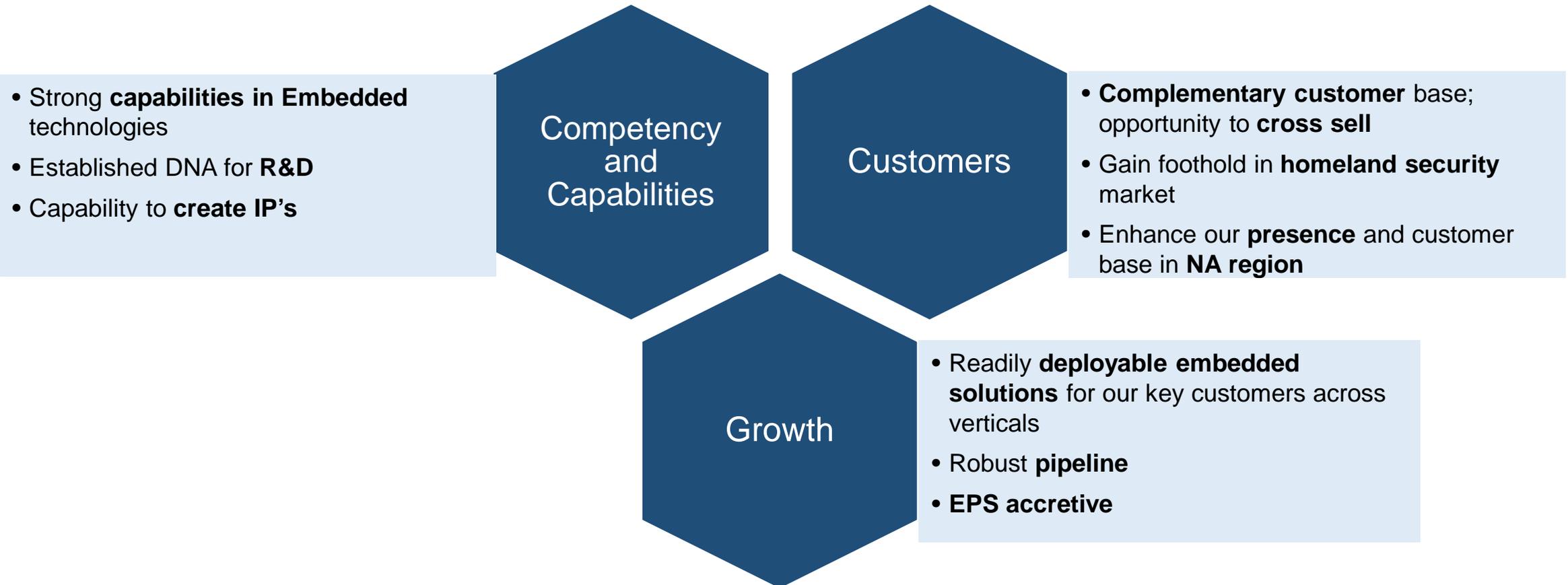
^{\$} Adjusted for one offs

*Based on swap ratio, ACETL to issue 3.5Mn shares. Thus outstanding shares of ACETL post completion of phase 2 are 41.26Mn . Further as per new accounting standards (Ind AS) minority interest will not arise if definitive agreement exists to acquire balance residual stake.

Excludes value of Residual stake; is dependent on business performance

Shareholding - Pre & Post Transaction

Sl. No	Shareholders	Pre - Transaction		Post – Transaction	
		No. of Shares	%	No. of Shares	%
1	Promoter & Promoter Group	24,945,271	66.06	24,945,271	60.45
2	Public	12,814,259	33.94	12,814,259	31.05
3	Mistral Shareholders			3,505,991	8.50
	Total	37,759,530	100.00%	41,265,521	100.00%



Platform created with critical – **Size**; Management focusing on **Robust & Sustained Earnings Growth**

Q & A

Thank You

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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