



AXISCADES

Inspired Solutions. By Design

Analyst Meet 2015

AXISCADES Engineering Technologies 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.

Business

Board and Leadership

FY15 Highlights

Financial Highlights

Revenue Segmentation

Operational Highlights

Business Outlook

AXISCADES is engineering partners to clients in Aerospace, Heavy Engineering, Industrial Products and Auto Industry. We help our clients to build efficient product engineering solution and increase spend effectiveness.

1500+ FTE working on Engineering Solutions across lifecycle of the product, starting from Product design, system engineering, manufacturing to product support

Aerospace

- Engaged with top major global Aerospace OEMs with exclusive ODCs
- Extensive experience in structures, aircraft interiors, MSI and ESI, Electrical harness, Manufacturing engineering and In-service support
- 20+ customers served till date (Including OEMs and Tier1 vendors)

Heavy Engineering

- Engaged with top major HE OEMs with Exclusive Delivery Centers across the globe
- Expertise in Structures, Interiors, Harness, Hydraulics, Value Analysis / Value Engineering
- Close to three decades of experience in Supporting Engines and Machines Development
- 16+ customers served till date (Including OEMs and Tier1 vendors)

Automotive & Industrial Products

- Engaged with top Automotive OEMs & Tier 1 suppliers.
- Experience on Cars, SUVs, Trucks and Commercial Vehicles
- Dedicated Offshore Development Centres (ODC's)
- Rich expertise in Design, Analysis, Simulation and Mfg. Support
- Partnering a Wind Power Major

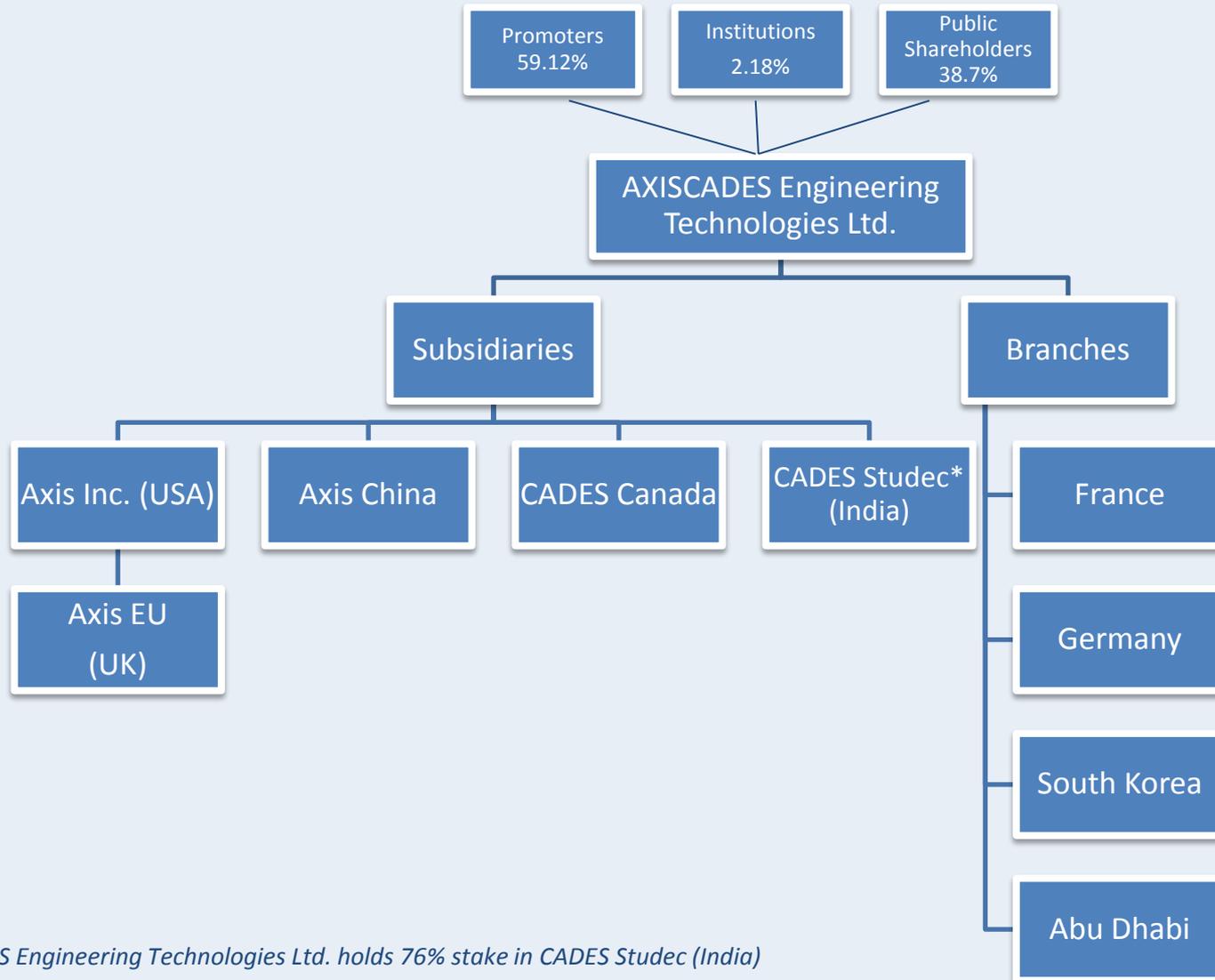


**1500 +
FTE**

**14
Locations**

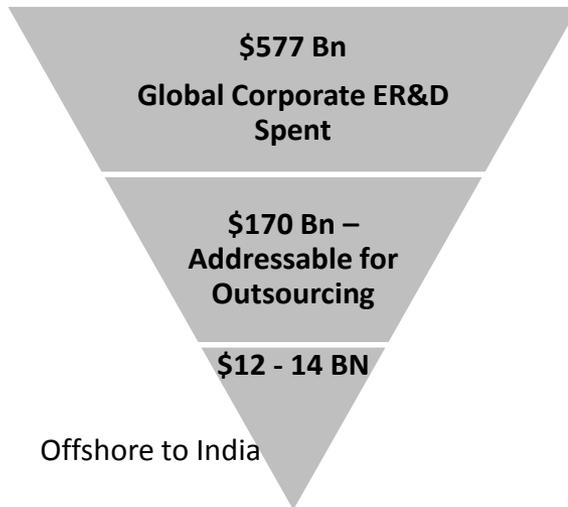
**10
Global delivery centers**

**150,000 +
Square Feet Space**



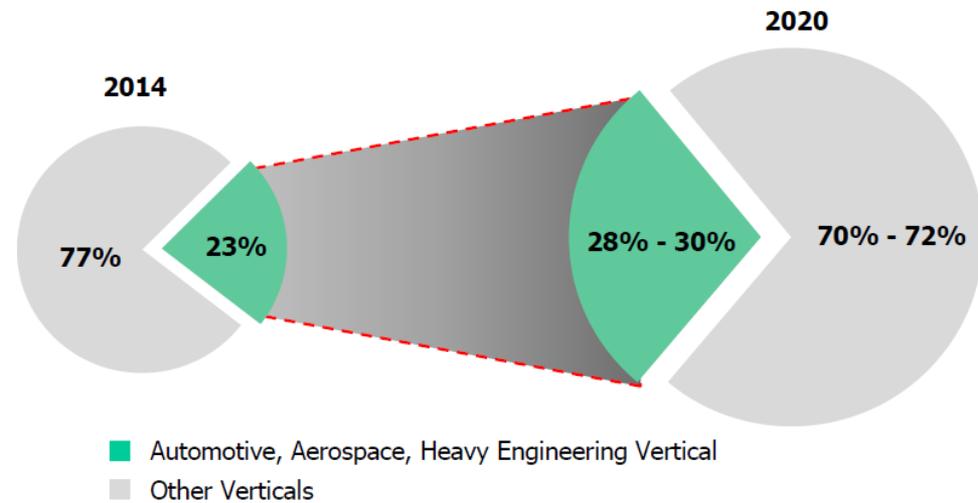
* AXISCADES Engineering Technologies Ltd. holds 76% stake in CADES Studec (India)

Global Market 2014 E



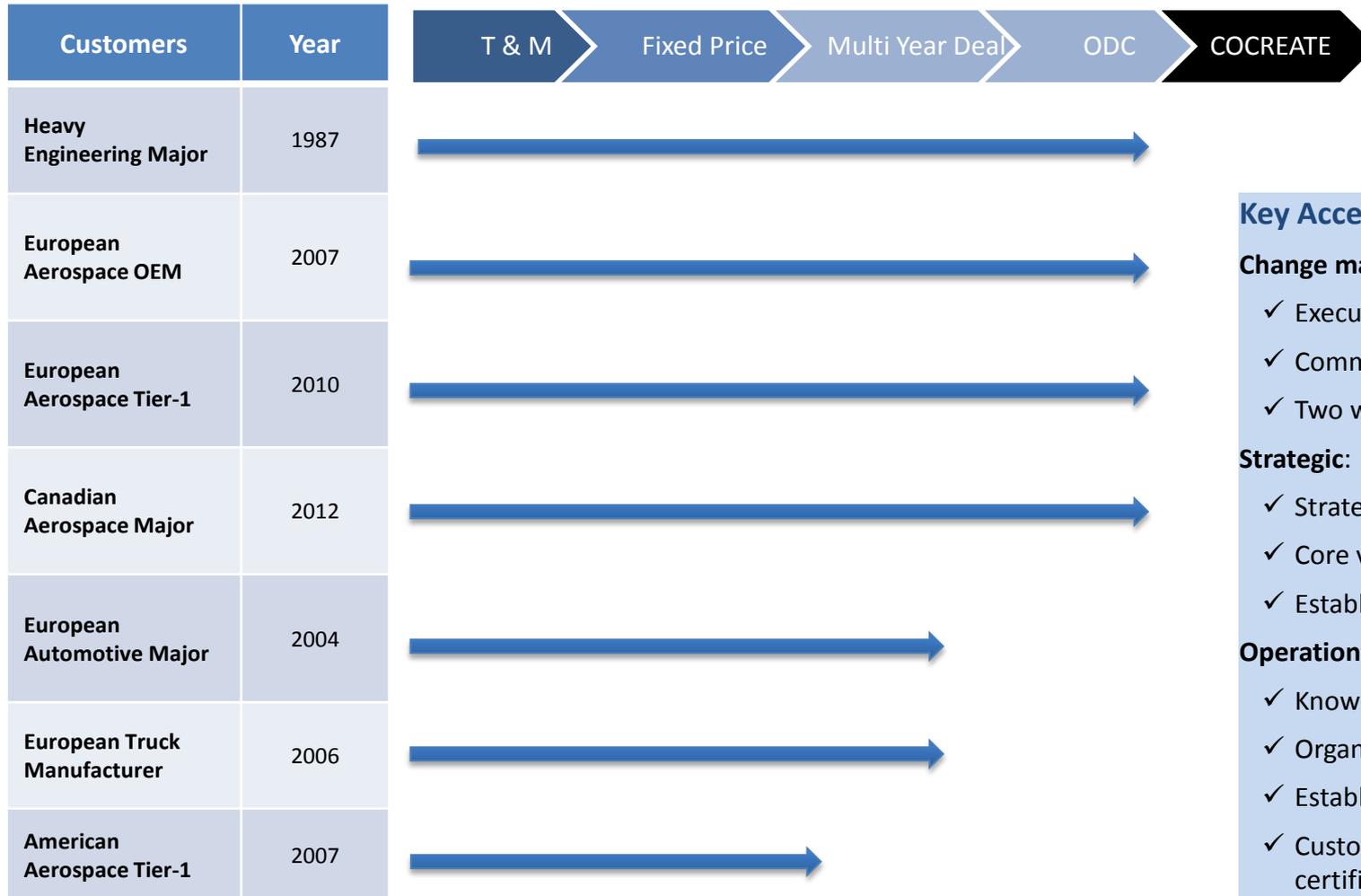
Source : NASSCOM Engineering Summit (2014)

Global Outsourced ER&D Spend By Vertical



Source: NASSCOM Booz Global ER&D Report Update (2012)

Engagement Model and Relationship Maturity



Key Accelerators :

Change management:

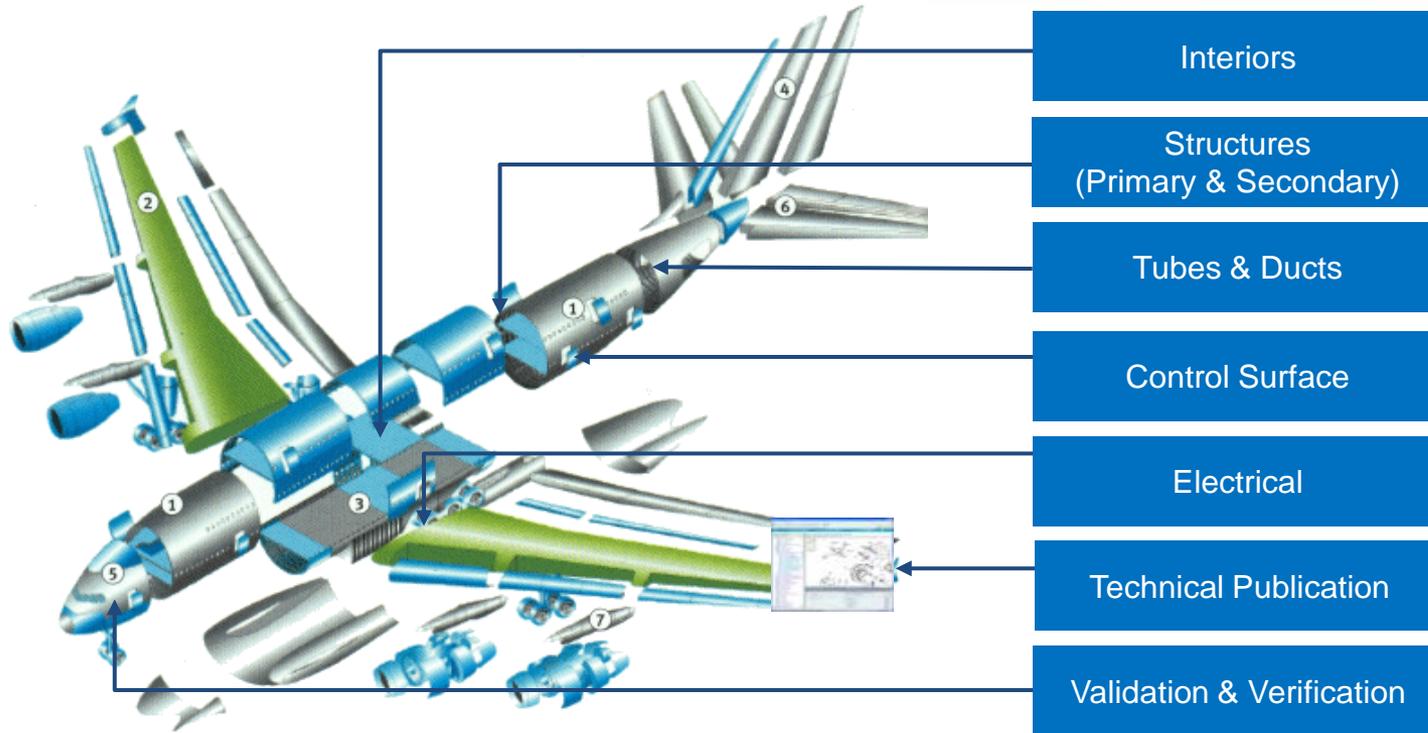
- ✓ Executive sponsorship
- ✓ Communication at all levels
- ✓ Two way visits

Strategic:

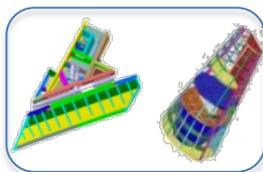
- ✓ Strategic Intent
- ✓ Core vs. context
- ✓ Establish front end leadership team

Operational:

- ✓ Knowledge transition
- ✓ Organizational alignment
- ✓ Establishing key KPIs
- ✓ Customer specific processes / certifications
- ✓ Governance



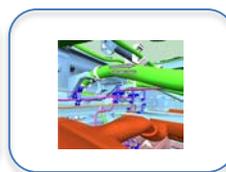
Capabilities



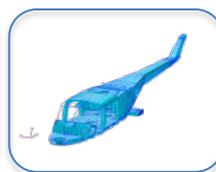
Structural Design



Stress Analysis



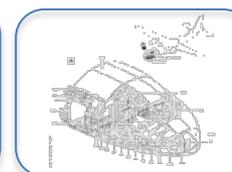
Electrical & Harness Design



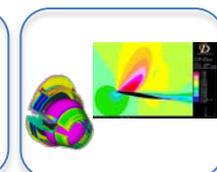
Resizing & Optimization



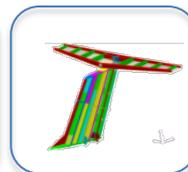
Interiors



Fatigue & Damage Tolerance



Advance Engineering



Composites

Solutions & Services

Earth Moving

- Excavators
- Skid Steer Loaders
- Wheel Loaders
- Backhoe Loaders
- Crawler Loaders



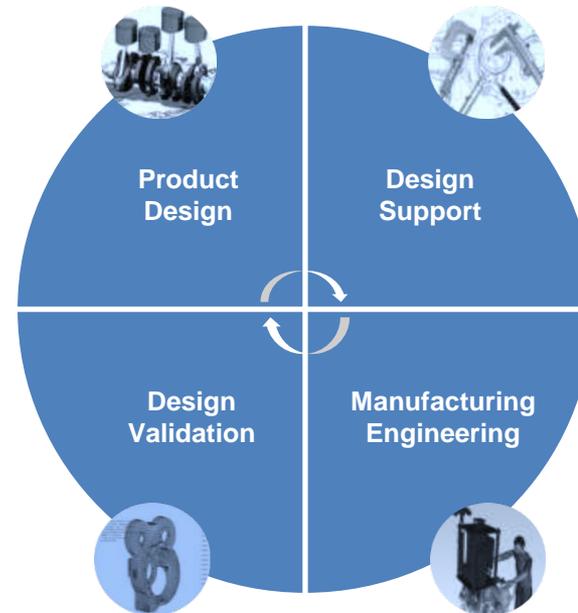
Construction Equipment

- Road Rollers
- Stone Crushers
- Motor Graders



Mining, Tunnelling & Drilling

- Tunnelling and handling Machinery
- Mining Trucks
- Drills



Capabilities



Structures



Harness



Design For Costing



Hydraulics



Engine & Power Train



Complete Vehicle Integration

Concept Evaluation

- Benchmarking & Competitor Analysis
- Rendering, Styling & Surfacing
- Reverse Engineering
- Packaging
- System Development Specifications

Product Engineering

- Design Support
- Application Engineering
- Dimensional Management
- Change Management
- Costing

Virtual Validation

- Model Build
- FE – Analysis NVH, Durability
- Full Vehicle Analysis
- Prototype
- Test Fixture & Test Equipment

Mfg. & Production

- Mold / Tool Design
- Fixture Design
- Sourcing & Vendor Development
- Supplier Quality Engineering
- Technical Documentation

After Start - Production

- Value Engineering
- After Market Part Design
- Accessories Development

Conceptualization

- Concept Modeling
- Detailing



Engineering Design

- CAD, CAM, CAE
- Industrial Design



Multi body Dynamics

- Test Rig simulation
- System simulation
- Maneuvers

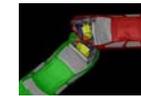


NVH - capabilities

- Interior Acoustic
- Powertrain
- Trimmed Body

Safety - capabilities

- Frontal impact
- Side impact, rollover



Computational Fluid Dynamics

- External Flow, Power train
- Thermal management



Exterior capabilities

- Hoods, lift gates, outer panels
- Lighting, fenders, grilles



Automotive Interiors

- Headliners, door panels,
- Interior trim, and pillars



BIW Capabilities

- Product Design Capabilities
- Analysis Activities



Dr. Vivek Mansingh (Chairman and Independent Director)

- ❖ Has 28+ years of experience, holds 6 US patents, published over 100 technical papers and was listed as honoured professional in “National Who’s who for the United States” in the year 2000
- ❖ He is a Gold Medallist from the National Institute of Technology (NIT) Allahabad , Ph.D. from Queen’s University, Kingston, Canada in 1986 and Executive MBA from Stanford University.



S. Valmeeka Nathan (CEO)

- ❖ 30 years Experience in Engineering Services. He was a member of Management Council at Infosys, as VP and Global head for Product Life Cycle and Engineering solutions
- ❖ Holds an BE (Hons.) in Mechanical Engineering from BITS Pilani
- ❖ He has been quoted extensively in the media and print for his thought leadership , green engineering services and lean global engineering.



Kaushik Sarkar (CFO)

- ❖ Has 20+ years experience in driving operational efficiency and Automation, Financial Planning and Analysis, internal control and systems, Strategy and acquisitions, Treasury, Tax & Compliances.
- ❖ He is a Qualified Chartered Accountant and Cost Accountant.
- ❖ He was Senior Director and Head of Finance and Operations for Adobe Systems India



Mr. Srinath Batni (Independent Director)

- ❖ Has over 35 years of experience in the area of Technology
- ❖ He has served in various leadership roles, the most recent being Whole Time Director of Infosys Ltd from May 2000 to July 31, 2014
- ❖ He is a B.E. (Mechanical) from Mysore University and an M.E from Indian Institute of Science, Bangalore



Mr. Amit Gupta (Non-Executive Director)

- ❖ Has over 15 years of experience in managing Financial related operations including mergers & acquisitions
- ❖ Has previously worked for organizations like Nova Medical, Ernst & Young, Genpact and Xerox in multiple roles ranging from finance controller to head of mergers & acquisitions
- ❖ He is CA and CPA and has completed the Accelerated Development Program from Wharton Business School



Ms. Vimmi M. Trehan (Independent Director)

- ❖ Is a Corporate lawyer with 20+ experience in Intellectual Property, Drafting and Conveyancing, Corporate Law, Mergers and Acquisitions, Labour Laws, Commercial Laws, Arbitration, Litigation etc.
- ❖ Currently working as an independent legal advisor to multiple corporates that span a diverse range of industries including financial, real estate, IT/ITes, education, retail, aviation and transport.



Mr. Rohitsava Chand (Non-Executive Director)

- ❖ 35+ years of experience in IT Industry He was the founder of Xansa (India); Xansa is amongst India’s leading software export companies
- ❖ He has been awarded the IIT Delhi Alumni Award for outstanding contribution to National Development
- ❖ He holds a B.Tech. from IIT Delhi and MBA from KATZ, University of Pittsburgh, USA



Mr. Pradeep Dadlani (Independent Director)

- ❖ Has over 25 years of experience in the Consultancy and Corporate experience in varied sectors & functional areas such as IT, Media, Telecom, Environment, Market Research etc.
- ❖ He is presently also serving on the Board of Syscom Project Consultants Pvt Ltd.
- ❖ He holds a BE (Mechanical) & MBA (FT) Qualifications



Mr. Kedar Nath Choudhury (Non-Executive Director)

- ❖ 18+ years of experience in the areas of Banking, Financial Planning, Budgeting, Forecasting, Compliance, ERP implementation and M&A
- ❖ Worked with Aricent Technologies, Flextronics, Hughes Software, Tata SLL and LIC Housing Finance at senior positions.
- ❖ He holds a B.Sc (Honors) in Physics, Chartered Accounts of India (CA) and Institute of Cost & Works Accountants of India (ICWA).



Mr. K.M. Rustogi (Independent Director)

- ❖ Has over 17 years of experience in the areas of Capital Markets, Finance, Accounting, Tax & Legal Matters
- ❖ He is currently working as a Partner in VNS Risk management.
- ❖ Also, is a Fellow member of the Institute of Chartered Accountants of India and Associate member of Institute of Company Secretaries of India and a Law Graduate
- ❖ He also the Chairman of the Audit Committee of the Company.



S. Valmeeka Nathan (CEO)

- ❖ 30+ years Experience in Engineering Services. He was a member of Management Council at Infosys, as VP and Global head for Product Life Cycle and Engineering solutions
- ❖ Holds an BE (Hons.) in Mechanical Engineering from BITS Pilani
- ❖ He has been quoted extensively in the media and print for his thought leadership , green engineering services and lean global engineering.



Kaushik Sarkar (CFO)

- ❖ Has 20+ years experience in driving operational efficiency and Automation, Financial Planning and Analysis, internal control and systems, Strategy and acquisitions, Treasury, Tax & Compliances.
- ❖ He is a Qualified Chartered Accountant and Cost Accountant.
- ❖ He was Senior Director and Head of Finance and Operations for Adobe Systems India



Mr. Ajay Sarin (Sales and Marketing Head)

- ❖ 24+ years of experience in sales, strategic business development, CRM, brand building and executing new initiatives.
- ❖ Worked in Oil and Gas, IT and global Engineering product companies like Altran, Rolta, Autodesk, ESRI, and Trimble where he has managed domestic and international business development
- ❖ Ajay holds a degree in Mechanical Engineering from Mysore University.



Mr. Srinivas Pulikam (Senior Vice President – HEG & AIP)

- ❖ 20+ years of experience in IT/ITES Industry. He has worked with Tech Mahindra, Intergraph Inc and Techspan.
- ❖ HE holds a Master's degree in Computer Aided Design of Structures from Mysore University and is a Certified Global Business Leader from Harvard Business School & U21Global. He is Six Sigma Black Belt and Certified PMP from PMI.



Mantha Venkataramana (Senior Vice President – Aero)

- ❖ Served Indian Airforce for 18 years as flight test engineer.
- ❖ Over the past 11 years he has worked with companies like QuEST Global and HCL Corporation involved in running large Overseas Development Centers for international clients.
- ❖ He holds is a double post graduate with an M.Tech from IIT Mumbai and M.S from BITS Pilani



Mr. Sreedhar Ellantala (Sr. VP – IT, Commercials and Admin)

- ❖ 25+ years of experience specializing in Network and IT /IT enabled environment for several private and public organizations,
- ❖ Set up 4000+ user multi location set up for an Indian IT Major
- ❖ Has served as director on board of a private bank, helped set up Export oriented units.



Mr. Visweswara Rao. A (Head - Human Resources)

- ❖ 19 years of experience in set up and scaling of the human assets across several IT and Telecommunications global majors.
- ❖ He holds an MBA (Human Resources) from JNT University



Mr. Malcolm Moore (General Manager UK)

- ❖ Has over 36 years of experience in Engineering
- ❖ Built a robust business model working with and across Automotive, Aerospace and Heavy Engineering industries in the European union and UK.
- ❖ He holds a diploma in CAE ONC, Mechanical and Electrical engineering.



Mr. V. Prashant Rao (Head of Engineering)

- ❖ Has over 40+ years of experience in Engineering
- ❖ He was Chief Engineer of the TATA Bus Business , Director of Engineering at John Deere India and Chief of Technology TAFE and Held leadership positions at FORD Motors and Mitsubishi Tractors.
- ❖ He holds one International and Six Indian Patents jointly with John Deere USA and has published over 15 technical papers.



Ms. Shweta Agarwal (Compliance Officer)

- ❖ 15+ Years of in diversified industries. She has worked with Stock Brokering firms, NBFC and Depository and ITES sector.
- ❖ Her professional qualification includes Associate Company Secretary from the Institute of Company Secretaries of India; I.C. W. A. I from Institute of Cost and Work Accountant of India; and LL.B.

Growth and Customer Acquisition

- ❑ Well placed to win two significant deals, for starting offshore/dedicated development centres for a large Industrial Products and a Renewable Energy Major.
- ❑ Added 5 New Logos, Including Tier-1 supplier with US Aerospace Major. Started addressing to Energy Industry.

FY15 Focus

- ❑ Improved earning reflects focus on Efficiency in Operation in FY15 to be able to Invest for growth.
- ❑ Built strong leadership team, strong sales team and hired subject matter experts from industry to build service line and practice line.

Financial Highlights FY15

- ❑ EBITDA at INR 418 million, up 40% Y-o-Y
- ❑ EBITDA Margins at 13.2 % as against 9.8%, up 340 bps Y-o-Y
- ❑ Cash flow from operations was strong at 315 million up by 93%

Revenue

- ❑ In US\$ at 52 million, up 3% Y-o-Y
- ❑ In INR at 3,176 million, up 4% Y-o-Y

Margins

- ❑ EBITDA at INR 418 million, up 40% Y-o-Y
- ❑ EBITDA Margins at 13.2 % as against 9.8%, up 340 bps Y-o-Y
- ❑ Net Profit at 198 million, up 24% Y-o-Y

Cash flow

- ❑ Cash flow from operations was strong at 315 million up by 93%
- ❑ Free Cash flow is 64.6% of EBITDA

Revenue

- ❑ In US\$ at 13.5 million, up 0.5% Q-o-Q, 2.5% Y-o-Y
- ❑ In INR at 832 million, less 0.4% Q-o-Q, up 3.3% Y-o-Y

Margins

- ❑ EBITDA at INR 121 million, up 2% Q-o-Q, up 22% Y-o-Y
- ❑ EBITDA Margin at 14.6 %, up 40 bps Q-o-Q, up 230 bps Y-o-Y
- ❑ Net Profit at 60 million, up 3% Q-o-Q

Cash Position

- ❑ Increase in cash and bank balances by INR 31 million.

Particulars	FY15	FY14
<i>Revenue from operations (\$'M)</i>	\$ 52.0	\$ 50.7
<i>In Million Rs</i>		
<i>Revenue from operations</i>	3,176	3,068
<i>Other Operating income</i>	-	14
Total Income	3,176	3,082
<i>Employee Expenses</i>	2,012	1,950
<i>Other expenses</i>	746	832
Total expenses	2,758	2,782
EBITDA	418	300
EBITDA	13%	10%
<i>Other Income</i>	17	17
<i>Depreciation</i>	93	82
<i>Finance cost</i>	24	36
<i>Exceptional items</i>	30	4
PBT	288	196
<i>Tax</i>	90	36
Tax rate	31%	18%
PAT	198	160
PAT %	6%	5%

FY15 Variance :-

- Revenue:** Increase in offshore ratio.
- Salary Expenses:** Marginal Increase in salary expense is on account of additional hiring to strengthen the leadership team.
- Other Expenses:**
 - Contractors Expense reduced by INR 95 Million.
 - Project Delivery Expenses reduced by INR 40 Million.
 - Offset by INR 64 Million Increase in Travel Expenses.
- Finance Costs:** Finance Costs have decreased due to reduction in borrowings and replacement of high cost term loans with low cost foreign currency borrowings.
- Taxes:** FY15 taxes are higher as compared to FY14 due to tax benefits (INR 32 Million) from merger of Axis & CADES in Q4 FY14.

Particulars	Q4 FY15	Q3 FY15	Q4 FY14
<i>Revenue from operations (\$'MM)</i>	\$ 13.5	\$ 13.5	\$ 13.1
<i>In Million Rs</i>			
<i>Revenue from operations</i>	832	835	805
<i>Other Operating income</i>	-	1	-
Total Income	832	835	805
<i>Employee Expenses</i>	484	520	512
<i>Other expenses</i>	226	197	194
Total expenses	710	717	706
EBITDA	121	119	99
EBITDA	14.6%	14.2%	12.3%
<i>Other Income</i>	6	3	6
<i>Depreciation</i>	28	27	22
<i>Finance cost</i>	5	4	6
<i>Exceptional items</i>	6	4	4
PBT	88	86	74
<i>Tax</i>	28	29	(6)
Tax rate	32%	33%	-9%
PAT	60	58	80
PAT %	7.2%	6.9%	9.9%

Q4 FY15 Variance :-

- ❑ **Employee Expenses (Q-o-Q)** - Employee expenses reduced in Q4 15 due to impact of decline in Euro on salaries and replacement of employees by consultants.
- ❑ **Other Expense (Q-o-Q)** - Other Expenses increased by 14% in Q4 as compared to Q3 on account higher Travel cost and consultant cost.
- ❑ **Tax Expense (Y-o-Y)** - Lower tax rate in Q4FY14 was on account of one time tax benefit on account merger of Cades and Axis-IT&T. Without the tax benefit, the Q4 FY15 PAT would have been Rs. 48.1 Mn (6%)

Key ratios (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Gross margin	35%	33%	32%	32%	26%
Selling expenses	6%	4%	4%	5%	5%
G&A expenses	14%	15%	15%	13%	11%
EBITDA margin	15%	14%	12%	13%	10%
PBT margin	11%	10%	9%	9%	6%
PAT	7%	7%	10%	6%	5%
Tax rate	32%	33%	-9%	31%	18%
Basic EPS (Rs.)	2.19	2.05	4.11	7.85	7.55

Particulars (Rs. million)	31-Mar-15	31-Dec-14	31-Mar-14
Net Worth	1,253	1,146	1,013
Total debt	267	286	330
- Term loan	15	15	143
- Working Capital	252	271	188
Capital Employed	1268	1161	1156
Trade payables	124	150	191
Fixed assets	248	262	154
Cash and cash equivalents	266	235	98
Trade receivables	607	733	720

Receivable Days	31 Mar 2015	31 Dec 2014	31 Mar 2014
DSO (excluding unbilled receivables)	72	75	76
DSO (including unbilled receivables)	96	96	93

Return Ratios	FY 15	FY14	
ROE	17.4%	17.3%	
ROCE	26.1%	24.5 %	

By Geography (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Americas	38%	38%	37%	40%	38%
Europe	40%	38%	46%	40%	44%
APAC	22%	24%	17%	20%	18%

By Industry (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Aerospace	52%	49%	55%	49%	48%
Heavy Engineering	33%	34%	34%	36%	40%
Automotive and Industrial Products	10%	10%	11%	11%	12%
Renewable Energy	5%	7%	-	5%	-

Top Clients (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Top 10	88%	88%	85%	88%	81%

By Delivery Location (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Onsite	54%	56%	55%	56%	60%
Offshore	46%	44%	45%	44%	40%

By Project Type (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Time and Material	68%	72%	65%	72%	67%
Fixed Price Projects	32%	28%	35%	28%	33%

Utilization (%)*	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Onsite	88%	84%	88%	85%	84%
Offshore	66%	65%	60%	64%	60%
Blended utilization	72%	70%	68%	70%	67%

Key ratios (%)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
USD	79%	77%	81%	79%	78%
GBP	7%	8%	8%	9%	10%
EUR	7%	8%	3%	6%	3%
INR	7%	7%	7%	6%	5%
Others	-	-	1%	-	4%

Exchange Rate (USD/INR)	Q4 FY15	Q3 FY15	Q4 FY14	FY15	FY14
Period Closing Rate	62.6	63.3	60.1	62.6	60.1
Average Exchange Rate	62.2	62.0	61.8	61.1	60.5

Business Outlook

- The addressable business opportunity is \$ 170 Billion.
- In the long term revenue is expected to grow more the Industry projection of 15 – 18% made by NASSCOM
- Well placed to win two significant deals, for starting offshore/dedicated development centres for a large Industrial Products and a Renewable Energy Major.
- Improvement in operational efficiency to continue

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.

For further information, please contact:

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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.
Cash flow from Operations	Cash flow from Operation is same as “Net cash from / (used in) operating activities (A) as presented in Annual report of the company.
Revenue	Revenue is Income from operations as mentioned in clause 41 1(a)
Free Cash flow	Free Cash flow is Cash flow from operations reduced by cash out flow in acquiring tangible and intangible assets.
Exceptional items	Exceptional Item includes one time stamp duty fees payable on account of merger and a provision made for investment.
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.

Key Terms	Explanation
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
DSO	Day Sales Outstanding, Average receivable divided by quarterly revenue multiplied by 90 days.
ROE	Net Income attributable to share holders divided by average Equity
ROCE	Earning before interest and taxes after exceptional item divided by average capital employed.
Offshore	Delivery from India
Onshore	Delivery from location outside India



Q & A