



AXISCADES TECHNOLOGIES LIMITED

Q4 & FY24
EARNINGS PRESENTATION



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Mr. Abidali Neemuchwala
Chairman

Commenting on the results and outlook, **MR. ABIDALI NEEMUCHWALA**, Chairman of AXISCADES said, “FY24 was another landmark year for the Company, in its journey to be at the forefront of best-in-class engineering and technology solutions, and at the same time, deliver a sustainable and profitable business performance to all its stakeholders. I am pleased to report that, at the end of FY24, the Company stands much stronger, with its foray into new verticals, new acquisitions, new competencies, and a much stronger customer base. Our defense business is gaining strength, and our production revenues from defense reached record run in FY24 and will continue to accelerate in the coming years. The equity base stands enhanced, borrowings significantly reduced and the robust balance sheet and cash reserves, allows us much head-room to invest in people, technology, competencies, R&D labs and business growth. While we are conscious of the global macroeconomic challenges and uncertainties, we are entering the new financial year, with renewed vigor, confidence and commitment for growth, and are well positioned to navigate the exciting pipeline of opportunities, ahead of us.”



Mr. Arun Krishnamurthi
CEO & Managing Director

Commenting on the results and outlook, **MR. ARUN KRISHNAMURTHI, CEO & MD of AXISCADES** said, “The financial year 2024 was a momentous year for the Company, in which we successfully concluded a qualified institutional placement, made two acquisitions, acquired new logos, strengthened our strategic relationship with several OEMs and strategic customers, had several deal wins, retired high-cost debt and strengthened our balance sheet.

I am pleased to report noteworthy operational performance in FY2024, despite global macroeconomic volatility and challenges in two verticals, namely Heavy Engineering and Product Engineering Services. The Company grew by 17% in sales revenue to INR 952 crores with an EBITDA of INR 130 crores and PAT of INR 33 crores.

The revenue growth was driven by Engineering Services, which grew by 21%, led by Aerospace, Automotive and Energy Verticals. The Defence production revenues tripled, while the order pipeline and confirmed order book from certified prototypes continues to grow. Our digital and embedded revenue is growing at a healthy pace.

Looking ahead, we remain committed to deliver a strong performance in FY25, leveraging our diverse capabilities to drive long-term growth and value creation for our stakeholders. We see our Defence production also to ramp up to contribute to FY25.”

FINANCIAL HIGHLIGHTS

Q4 FY24

- Revenue from Operations of **Rs. 256 crores** for the quarter; grew by **14% YoY**
- Revenue in \$ terms for the quarter stood at **\$ 31 Mn**; growth of **11% YoY**
- EBITDA for the quarter at **Rs. 32 crores**; grew by **11% QoQ**
- EBITDA Margins stood at **12.7%**; as against **12.6% in Q3 FY24 and 13.9%** in Q4 FY23
- PAT stood at **Rs.9 crores with PAT margin of 3.4%** in the quarter, as against **Rs.8 crores in Q3FY24 (3.2%)** and **Rs.16.04 crores in Q4FY23 (7.1%)**

FY24

- Revenue from Operations of **Rs. 952 crores** for the year; grew by **17% YoY**
- Revenue in \$ terms for the year stood at **\$ 116 Mn**; growth of **14% YoY**
- EBITDA for the year at **Rs. 130 crores** as against **normalized EBITDA Rs. 124 crores* in FY23**; grew by 5% YoY
- EBITDA Margins stood at **13.7%** as against normalized EBITDA margin of **15.3%** in FY23.
- Profit after Tax stood at **Rs. 33 crores** in the year as against Loss of **Rs. 4.8 crores** in FY23
- PAT Margins for the year stood at **3%** as compared to **-0.6% in FY23**

BUSINESS HIGHLIGHTS

- Engineering services revenue grew **21% to Rs.694 crores** with robust growth in Aerospace, Automotive and Energy, despite softness in Heavy Engineering and Product Engineering Services
- Revenue from **new customer logos** grows to Rs.69 crores, a growth of **5 Times** over the previous year
- Deal win with Aerospace OEM with **TCV of \$ 18 Mn** in the areas of in-service repair and manufacturing support
- Defense Production Revenues in Mistral **triples from Rs.39 crores to Rs.112 crores**, with **Rs.272 crores in executable production orders**
- Commencement of delayed delivery of **Man Portable Counter Drone System (MPCDS)** to the Indian Army, with significant addressable market in Indian Defense and Global Markets
- **Design and prototype wins in several defense programs**, such as HISAR, next generation ERP for combat aircrafts, Intel based SBC, DEAL satellite terminal design, DF for Naval program, adding to the production order pipeline
- **Digital Team ramped to 75+ FTEs** with deep competencies in automation, AI/ML and robotics, with complete digital project execution capabilities
- Acquisition of **add-solutions GmbH and EPCOGEN**, opens new vistas in Automotive and Energy Space, adding strategic logos and competencies
- Increase in confirmed **order book by 27% at Rs. 749 crores**, as against INR 589 crores at the beginning of the year
- Successful closure of QIP for **Rs. 220 crores** with marquee Institutional Investors
- Reduction in **Net Borrowings** by 60% from **INR 214 crores to INR 85 crores**, which will **significantly reduce Finance Cost**
- Net Billable Resource addition of **500+**, Reduction in attrition rate to **16% from 21%**
- Strengthening of **Board Positions** and **Corporate Governance Process**

AXISCADES is a Technology Company focusing on Product Engineering Solutions, serving Global OEMs

Aerospace

- Design & Analysis - Primary & Secondary Structures, Aircraft Interiors
- MSI and ESI, Electrical harness
- Manufacturing Engineering
- In-Service support - Repairs



Automotive

- Design, Analysis
- BIW/CIW
- Interior & Exterior
- Engines, Powertrain
- Cost Optimization & Localization



Defence & Homeland Security

- Avionics, Radar/EW, C4I2
- Automated Test Solutions
- Simulators, UAVs
- GSE/GHE
- System Integration
- Offset Management



DESIGN



MANUFACTURING



IN SERVICE SUPPORT

Mechanical Engineering
 Embedded SW and HW
 System Integration
 Digitization
 Manufacturing and Aftermarket Solutions

Energy

- Avionics, Radar/EW, C4I2
- Automated Test Solutions
- Simulators, UAVs
- GSE/GHE
- System Integration
- Offset Management



Semiconductors

- Silicon validation
- Branded chipsets with the likes of Texas Instruments, Qualcomm etc.
- Product Sustenance



Heavy Engineering

- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing



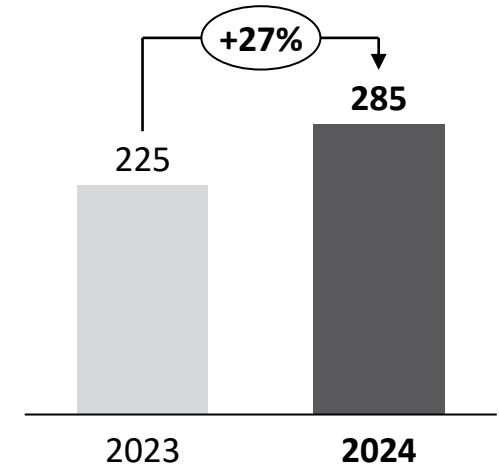
Strategic partner to global OEMs for Innovative, Sustainable, Safer & Smarter Products



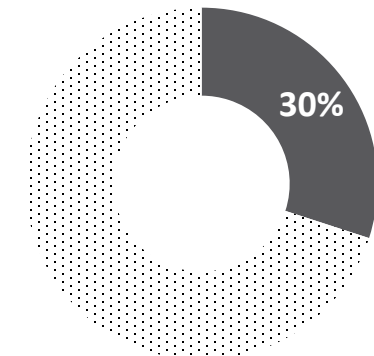
Key Highlights:

- Good performance in FY24 backed by increasing our share of wallet from existing clients with large deal win from previous year
- Secured a large OEM deal of \$ 18 Mn which is to be executed in next 5 years
- New areas of service include manufacturing support, product design and development and engineering support in new geographies for European OEM
- Commenced strategic partnership with leading independent aircraft engineering and maintenance group with potential to grow to large size account

Segment Growth



FY24 Aerospace Revenue Pie (%)



Outlook

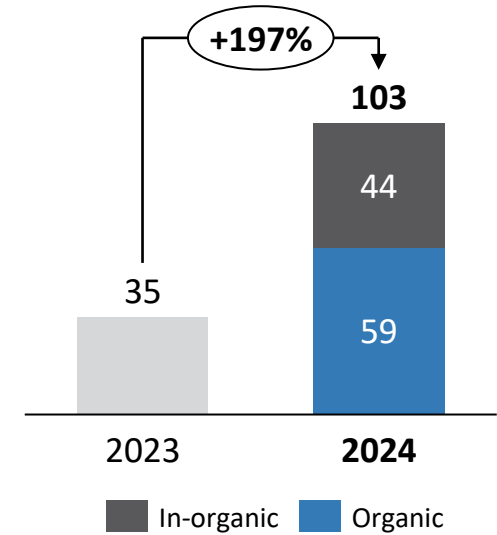
- We anticipate industry leading growth rate in this vertical backed by further potential with OEM in manufacturing processes and assembly lines
- Advanced level discussions with leading helicopter manufacturer for engineering and design support
- Exploring GTM strategy to capture tier 1's and other aerospace OEM's within the aerospace industry to deepen competencies in structural design support, electricals and digital focus to achieve efficiencies



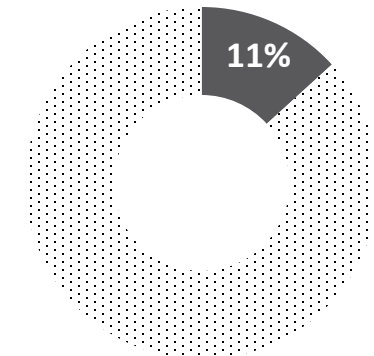
Key Highlights:

- Large engagement with UK based automotive OEM with >\$1M in less than 1 year of customer acquisition. Further diversified customer base with various OEM's and tier 1's
- Completed acquisition of Add-solution, Germany with capabilities in EDS, HMI test and automation resulting in run rate of >\$5M from one of world's largest OEM
- Growth in vertical can be attributed to the fields of embedded systems, mechanical engineering etc
- The company commenced execution of advanced work packages with large OEM on cyber security and made inroads with newer areas of engagements with various customers

Segment Growth



FY24 Automotive Revenue Pie (%)



Outlook

- Above industry average growth driven by leveraging synergized capabilities across the enterprise and work closely with partners to further develop inhouse capabilities
- Deepen relationships with existing customer base across Europe and APAC
- Pivot to advanced solutioning such as reusable components, CASE technologies and other new age automotive technologies
- Demand slow down in a large OEM may have a possible impact in H1 FY25



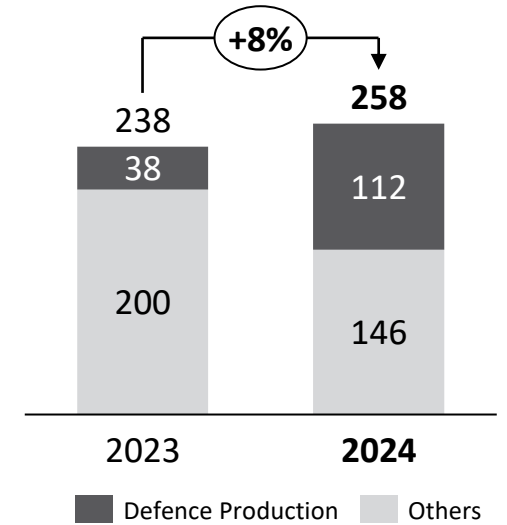
Key Highlights:

- Significant increase in production revenues from design wins of prior years resulting in >25% margins on these executions
- New pipeline additions to execute >INR 150 Cr by FY27 across various defence programs ranging from aerospace to radar
- Large deals worth INR 198 Cr closed in FY24, which will become due for production in coming years
- Delivered first of its kind **Man Portable Counter Drone System** to the Ministry of Defence after successful trials
- The company anticipates strong interest on this front in the next couple of years as it also covers certain special frequency spectrums not addressed by any other system in the market

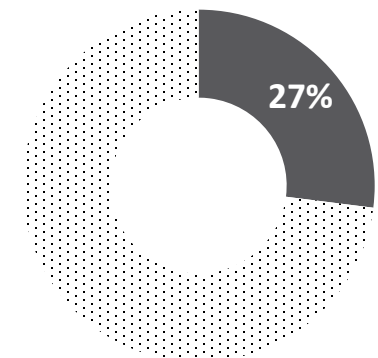
Outlook

- Production revenues will continue to ramp up in FY25. Multi crore order pipeline of design wins awaiting production in outer years
- New opportunities in counter drone system over next 5 years are highly promising with addressable market more than INR 3,000 Cr
- Exploring opportunities to export Defence systems and services to prospective clients overseas

Segment Growth



FY24 Defence Revenue Pie (%)

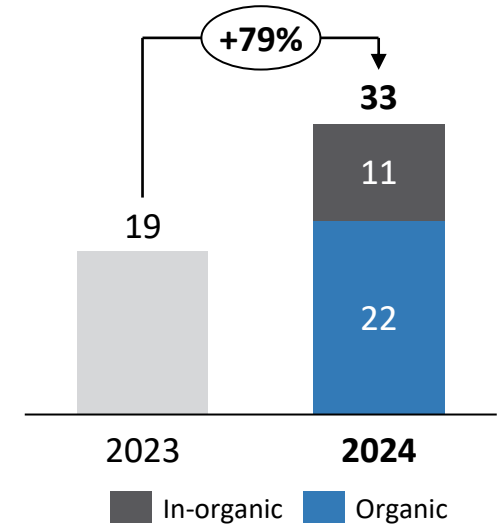




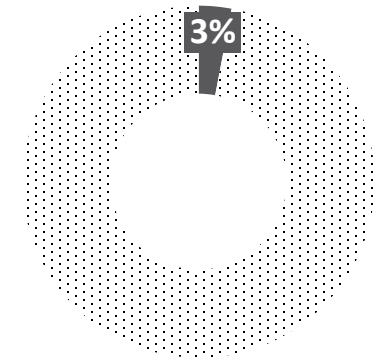
Key Highlights:

- Our organic business grew 16% backed by our deepening relationships with our customers across the energy spectrum
- With the addition of EPCOGEN capabilities, we now cater to very large and diverse customer base which is open to be mined in the coming years
- The expertise from EPCOGEN on pre-bid engineering and design engineering will be our launch pad to a global platform as we provide new age solutions to energy demands of the world
- Our partnerships with our European customers in the renewable energy continue to grow and develop across the spectrum of engineering

Segment Growth

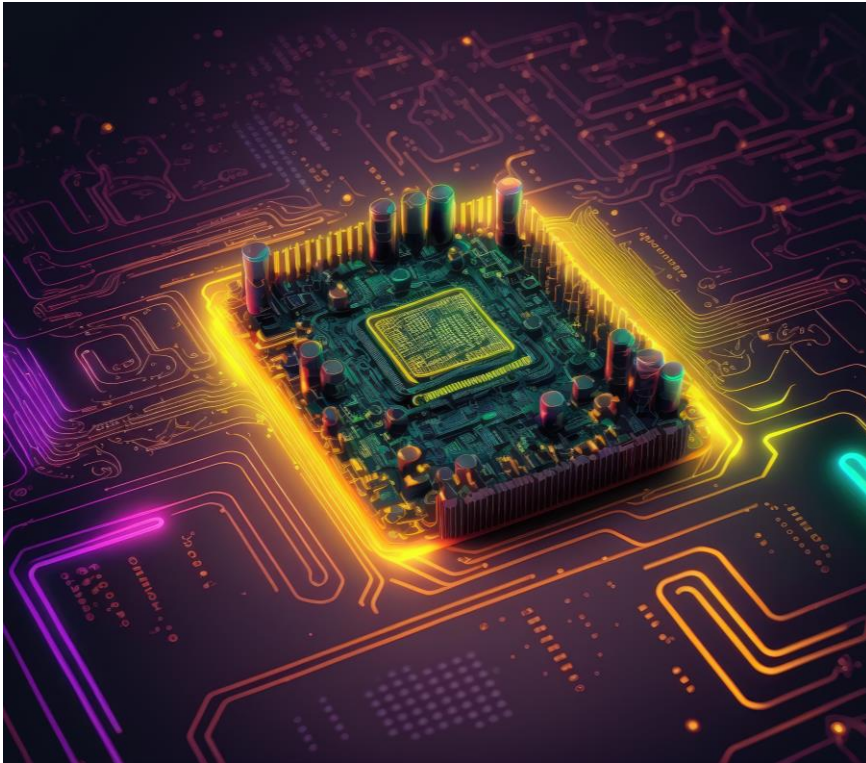


FY24 Energy Revenue Pie (%)



Outlook

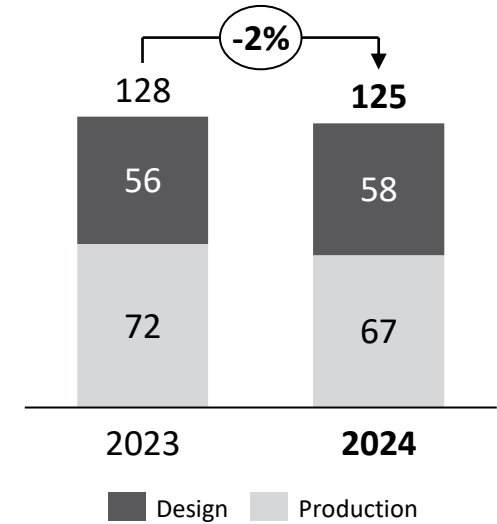
- The company plans to achieve above industry average growth in the vertical by enhancing contract values from customers and new customer acquisitions
- We will also commence our operations in Middle East with specific focus on energy customers so that we are able to provide and demonstrate solutions locally, both on traditional O&G as well as renewable energies front



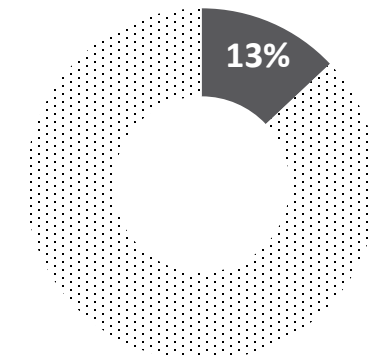
Key Highlights:

- Although FY24 has seen a marginal decline in our semiconductor business, the engine behind this – our Product Engineering Services has seen several significant developments
- Revenue decline due to inventory buildup at customer end leading to production decline, but nonrecurring engineering (NRE) business (prototype / design) has grown 6% YoY
- Synergized solutions with larger enterprise to global tier I/II customers in automotive space
- Onboarded world’s largest phone and consumer electronic manufacturer as a customer with clear glide path on engagements into FY25

Segment Growth



FY24 Semiconductor Revenue Pie (%)



Outlook

- We anticipate that revenues from this vertical may be flat up until H1 after which growth will be normalized
- Ramp up in automotive as well as other radar based solutioning in other verticals
- Synergized GTM strategy to offer Product Engineering solutions across other verticals within larger enterprise which should show an uptick in NRE revenues



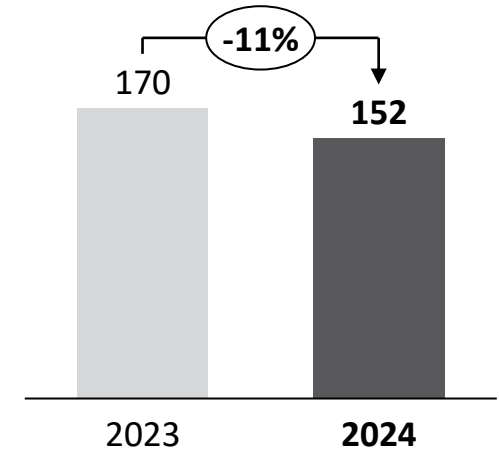
Key Highlights:

- During FY24 Heavy Engineering vertical witnessed a de-growth of 11% year-on-year mainly due to macro-economic factors
- We restructured our business to capitalize on the opportunities and the deep expertise we have with one of the largest earth moving manufacturer. Our increased focus is enabling us to serve the customer better
- We have been chosen as a strategic partner for a global transformation initiative on the manufacturing front by our customer focused on process standardization and commonization which has the potential to be a large engagement for us

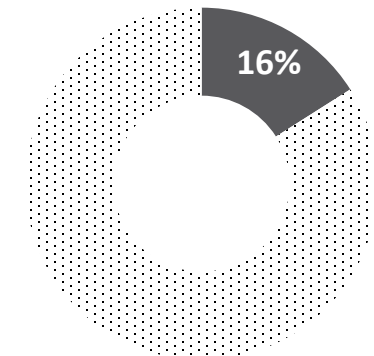
Outlook

- We expect that FY25 will be a growth year for the Company in this vertical, with a two-pronged approach of enhancing the profitability in current business by adopting AI, Automation to the possible extent and getting business ready for future
- The company is seeking to add more logos in this vertical and leverage on the significant opportunities in automation, electrification of off-highway vehicles and expansion in regional markets such as Asia Pacific & Middle –East

Segment Growth

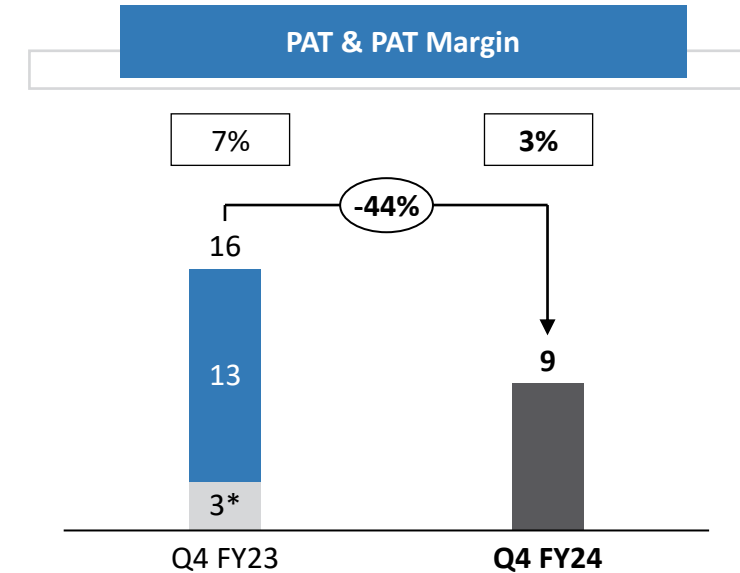
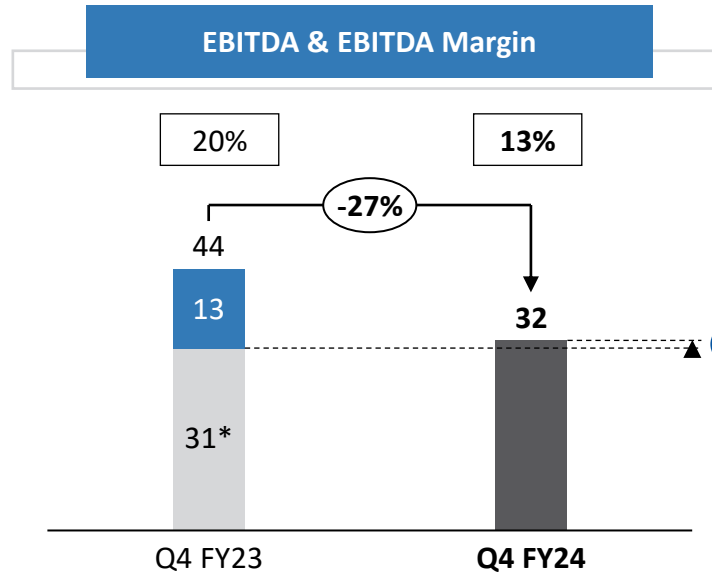
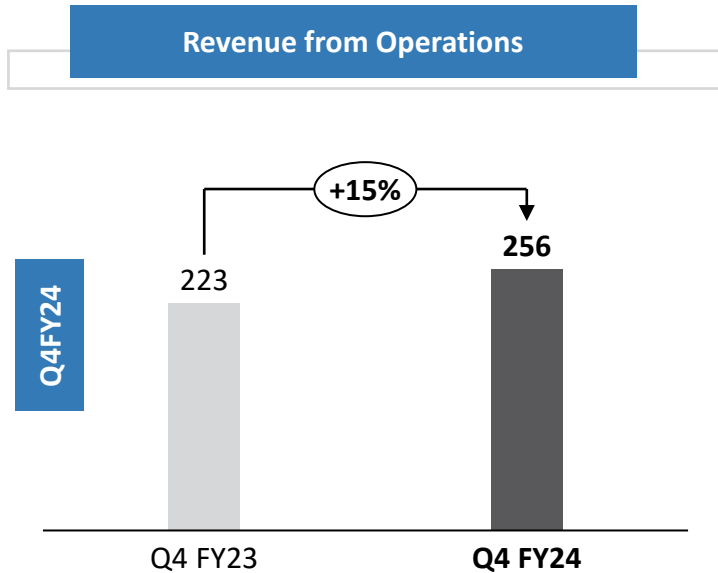
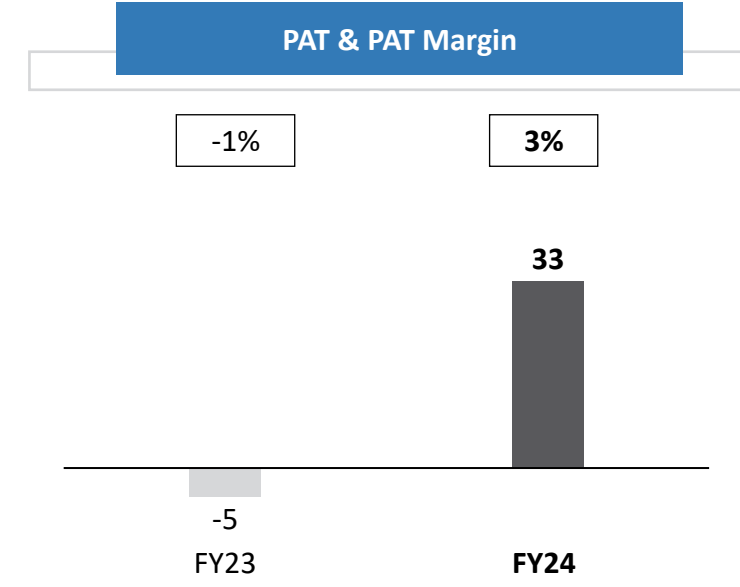
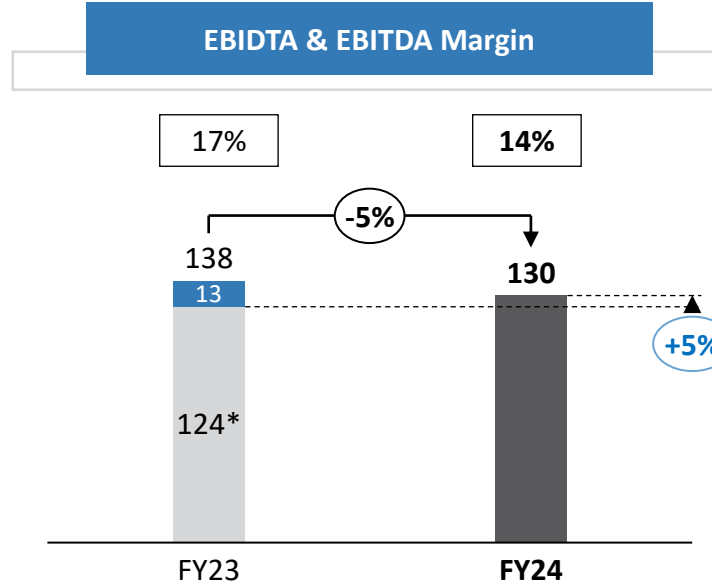
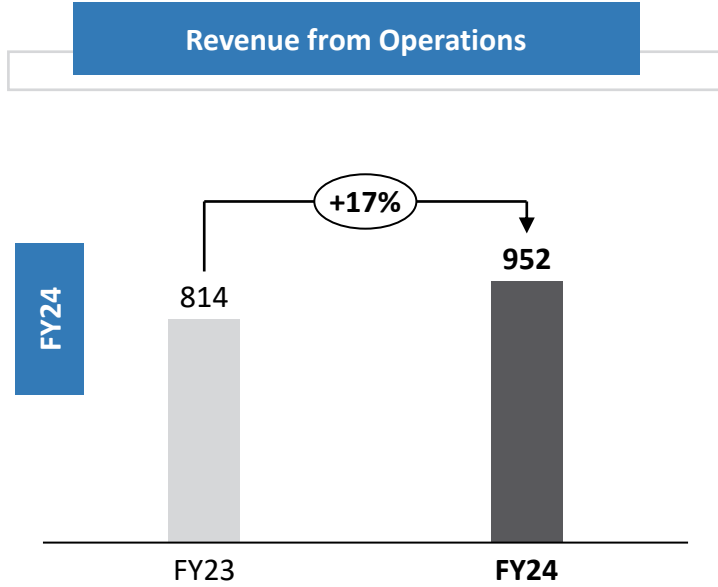


FY24 Heavy Engineering Revenue Pie (%)



Key Financial Performance

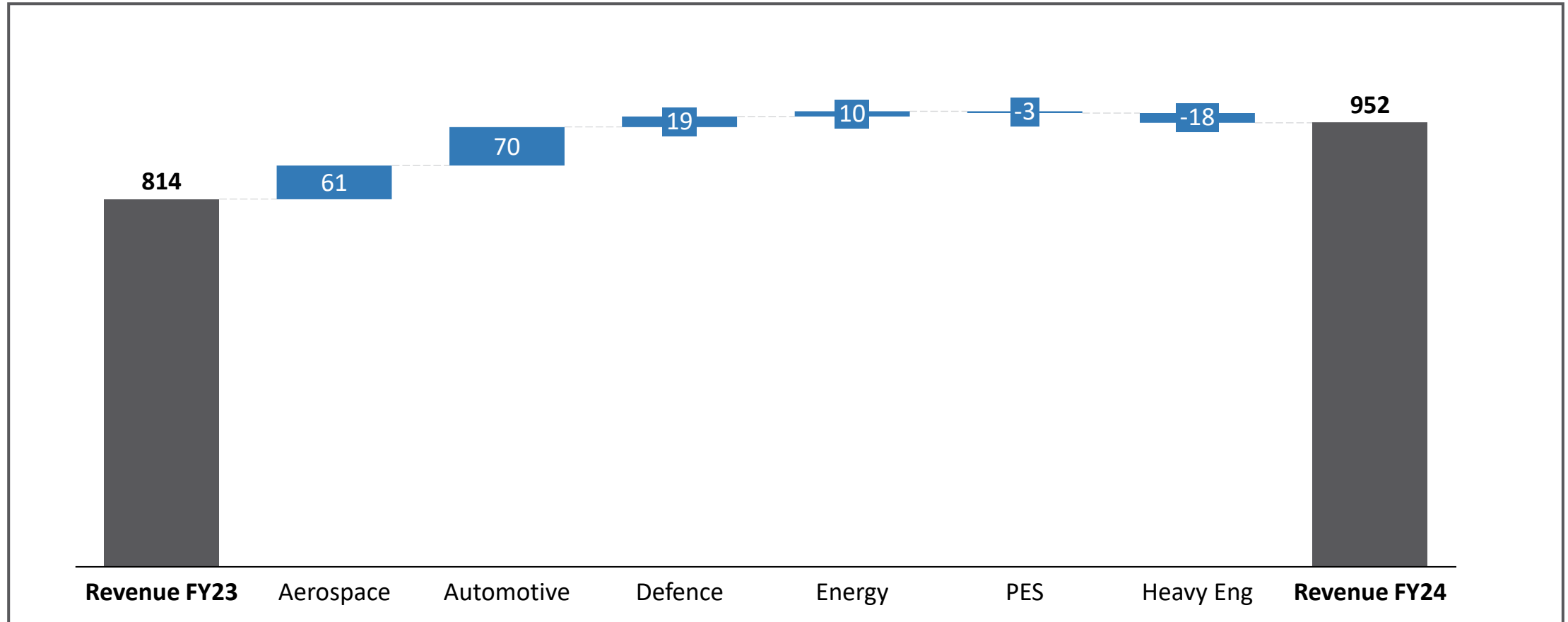
in INR crores



Consolidated Profit & Loss Statement



Particulars (in INR Cr.)	Q4 FY24	Q4 FY23	YoY %	Q3 FY24	QoQ %	FY24	FY23	YoY %
Operating Revenue (\$ Mn)	\$ 31.0	\$ 27.7	12%	\$ 28.2	10%	\$116.1	\$101.8	14%
Revenue	256	223	15%	231	10%	952	814	17%
Other Income	6	4		2		13	14	
Total Revenue	261	227	15%	234	12%	965	828	17%
EBITDA	32	44*	-26%	29	11%	130	138*	-5%
EBITDA Margin (%)	13%	20%		13%		14%	17%	
EBIT	23	37	-39%	21	10%	97	111	-13%
PBT before Exceptional Item	16	27		11		53	89	
Tax	7	11		3		20	26	
Profit after Tax	9	16	-44%	8	19%	33	-5	-
PAT Margin %	3%	7%		3%		3%	-1%	



- Significant run rate increased in Aerospace & Automotive space driving the revenue growth in FY24
- 188% increase in Defence production revenues during the year
- Heavy Engineering vertical continues to underperform and witnessed a de-growth of 11% YoY due to macro-economic factors which had effect on overall revenues. We expect this vertical to perform well in FY25 with our digital initiatives.

Consolidated Balance Sheet Statement

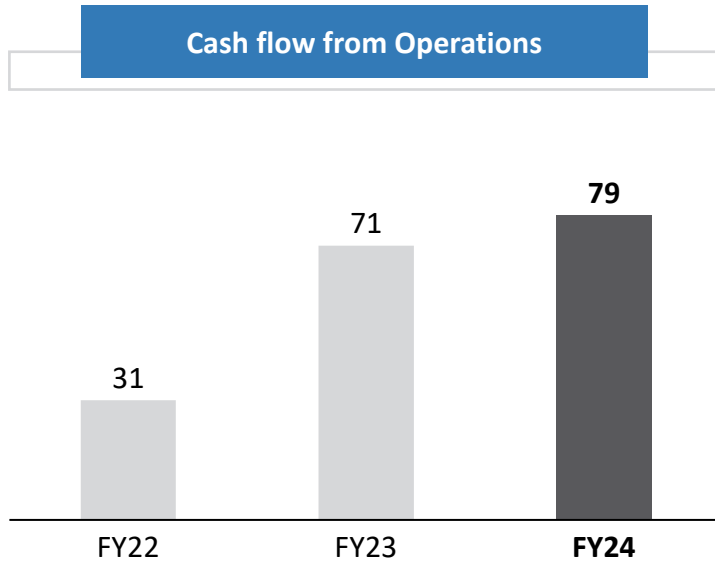
Particulars (in INR Cr.)	Mar-23	Mar-24
Assets		
Non-Current Assets		
Property, Plant and Equipment	57	69
Capital Work-in-progress	-	-
Right-of-use Assets	116	152
Goodwill and Other Intangibles	140	193
Other Non-Current Assets	54	62
Total Non-Current Assets	366	476
Current Assets		
Inventories	66	69
Investments	29	29
Trade Receivables	179	234
Cash and Cash equivalents	75	56
Bank bal. other than Cash & Cash equl.	25	97
Other Current Assets	165	178
Total Current Assets	538	663
Total Assets	904	1,139

Particulars (in INR Cr.)	Mar-23	Mar-24
Equity and Liabilities		
Equity		
Equity Share Capital	19	21
Other Equity	319	564
Non -Controlling Interest	6	6
Total Equity	344	592
Non-Current Liabilities		
Borrowings	171	106
Lease Liabilities	22	64
Other Non-Current Liabilities	10	32
Total Non-Current Liabilities	203	203
Current Liabilities		
Borrowings	143	133
Trade Payables	75	64
Lease Liabilities	9	16
Other Current Liabilities	130	132
Total Current Liabilities	357	345
Total Equity and Liabilities	904	1,139

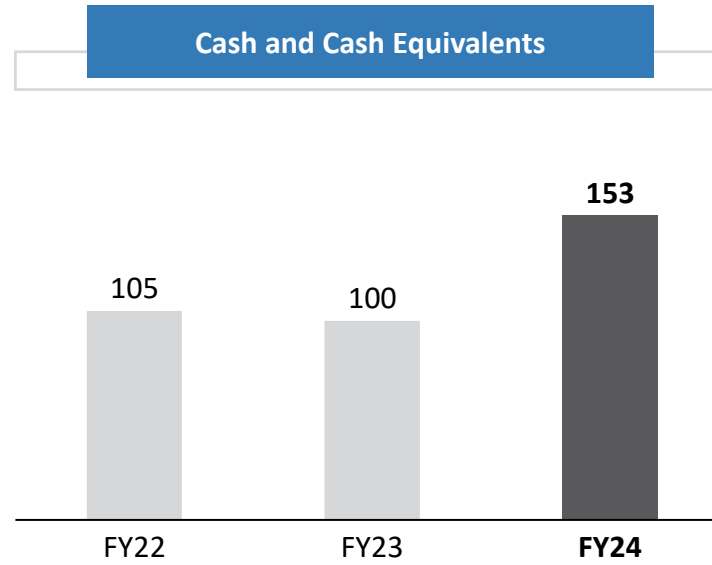
Key Financial Metrics

in INR crores

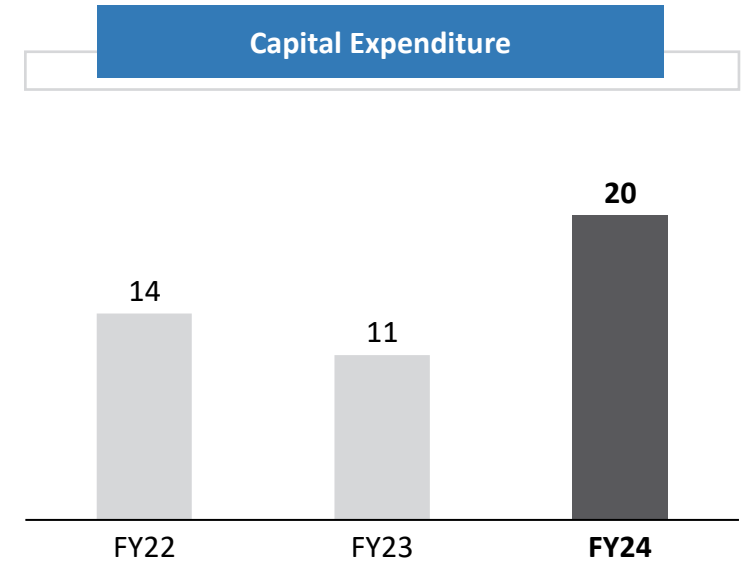
Cash flow from Operations



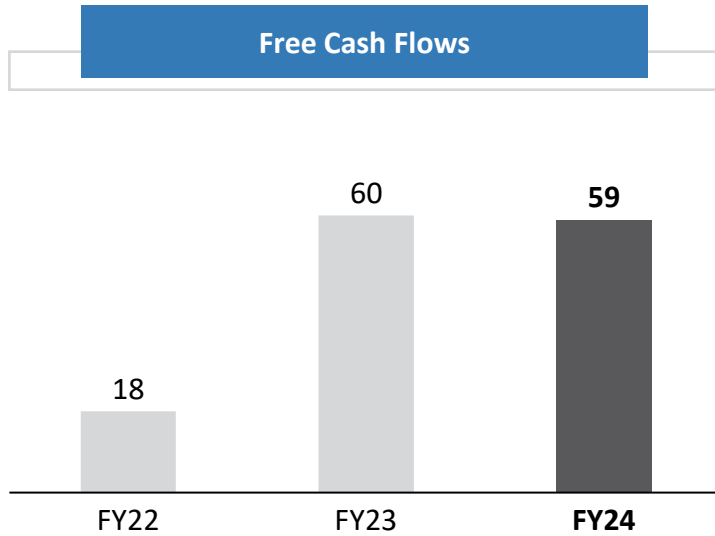
Cash and Cash Equivalents



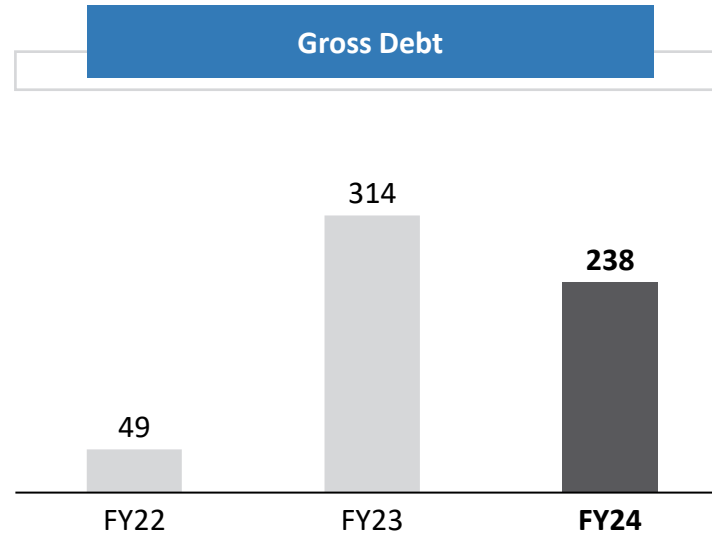
Capital Expenditure



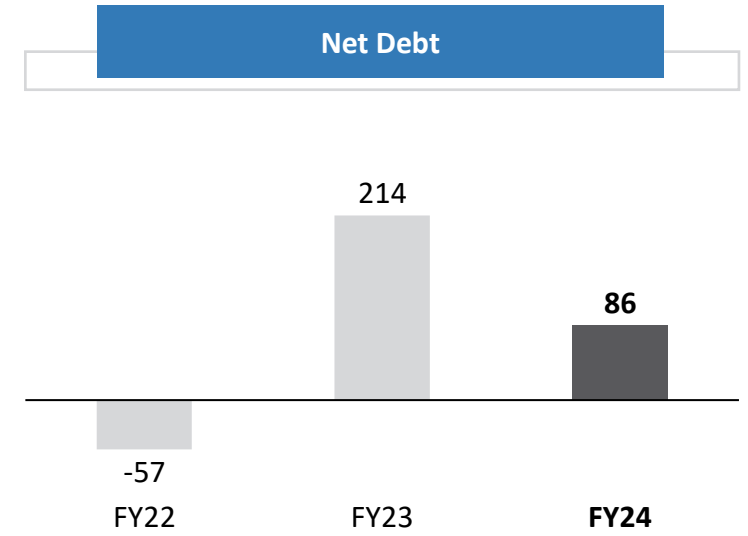
Free Cash Flows



Gross Debt



Net Debt



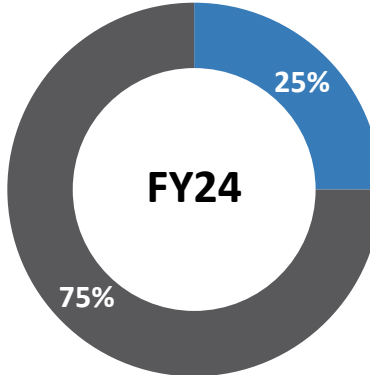
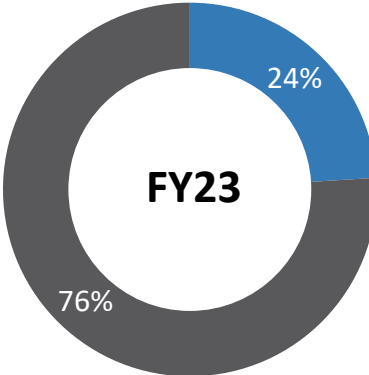
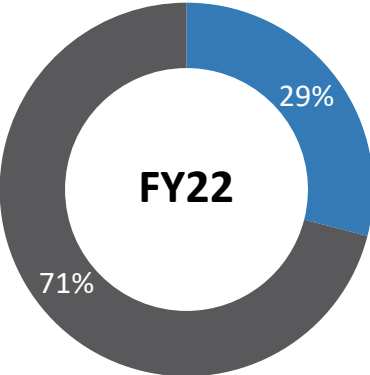
REVENUE BY VERTICAL

	Q4 FY23	Q3 FY24	Q4 FY24	QoQ	YoY	FY23	FY24	YoY
AEROSPACE	28%	33%	31%	5%	29%	28%	30%	27%
AUTOMOTIVE	5%	14%	11%	-18%	132%	4%	11%	197%
ENERGY	2%	3%	6%	111%	202%	2%	3%	79%
HEAVY ENGINEERING	18%	16%	14%	2%	-9%	21%	16%	-11%
PRODUCT ENGINEERING	13%	13%	9%	-22%	-19%	16%	13%	-2%
PRODUCTS & SOLUTIONS (DEFENCE)	33%	21%	28%	49%	-1%	29%	27%	8%

REVENUE BY GEOGRAPHY

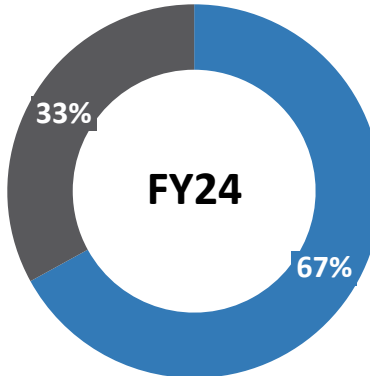
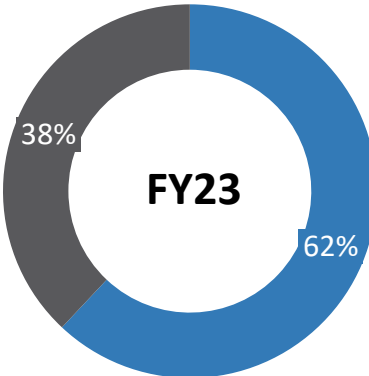
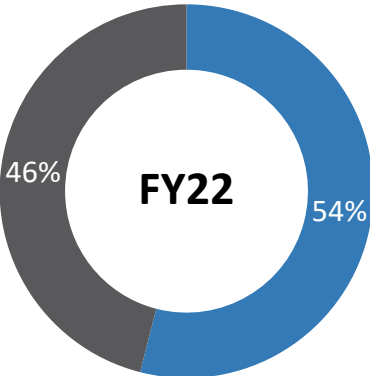
	Q4 FY23	Q3 FY24	Q4 FY24	QoQ	YoY	FY23	FY24	YoY
APAC	38%	26%	38%	60%	14%	28%	31%	29%
CANADA	5%	4%	4%	4%	-10%	5%	4%	9%
EUROPE	28%	43%	37%	-7%	50%	34%	38%	30%
USA	28%	26%	21%	-14%	-17%	33%	27%	-5%

REVENUE MIX



■ Onsite ■ Offshore

REVENUE BY PROJECT TYPE

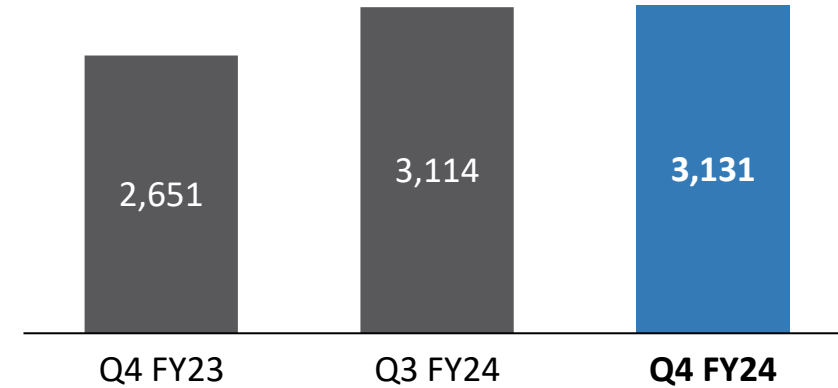


■ Fixed Price ■ Time and Material

KEY TAKEAWAYS

- ❖ 18% growth on a total basis, 10% organic.
- ❖ 14.5% growth in digital and embedded resources indicating the company's focus on growing in house digital capabilities.
- ❖ Attrition rates lowered in FY24 driven by various employee engagement activities and better management of pyramid by defining employee's journey.

TOTAL HEADCOUNT



EMPLOYEE METRICS

	Q4 FY23	Q3 FY24	Q4 FY24
DIGITAL & EMBEDDED	641	739	734
MECHANICAL	2,010	2,375	2,397
ATTRITION RATE (%)	20%	15%	16%

Digital Process & Tools

- Agile process of development including tools & environment – JIRA & Confluence, DevOps, Digital Lab etc.
- Digital Infrastructure – Central servers for development & internal deployments, Edge GPU PCs, AR/VR Systems etc.

FY24

Capabilities & Certification

- Strong team – IIoT, AI / ML and CV.
- SOC II Certification.
- Complete Digital Project Execution Capability in Agile.

Digital Process & Tools

- AR/VR/3D related to tools setup in Digital Lab for advance development and R&D.
- Strengthen tools on project delivery and application maintenance / monitoring.

FY25

Capabilities & Certification

- Intend to build a strong team in AR/VR/MR/3D capabilities.
- Integrate Mistral capabilities w.r.t Hardware design & integration.
- Complex project execution capabilities which include hardware, embedded system, software and cloud.

Internal Automation

- Focused on Aerospace - our stronghold
- OEM Design Filter Automation – improved process efficiency reducing queue for several hours.
- 21% efficiency in manufacturing process.

Product Development

- Developing a Machine Vision based Quality Inspection System for AOL validation of manufactured products.
- Lab validation with 2 Customers and in discussion with multiple customers.

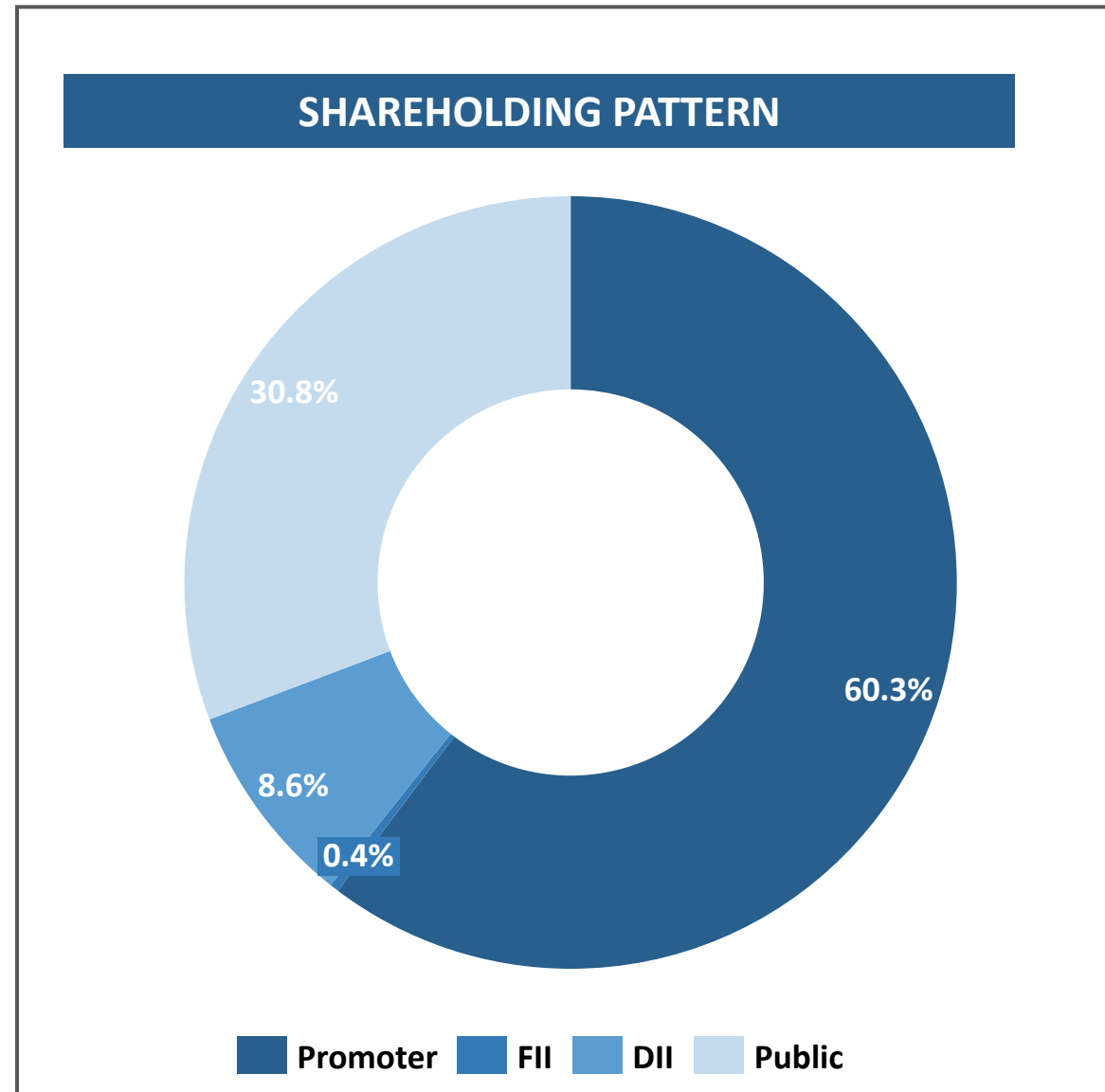
Internal Automation

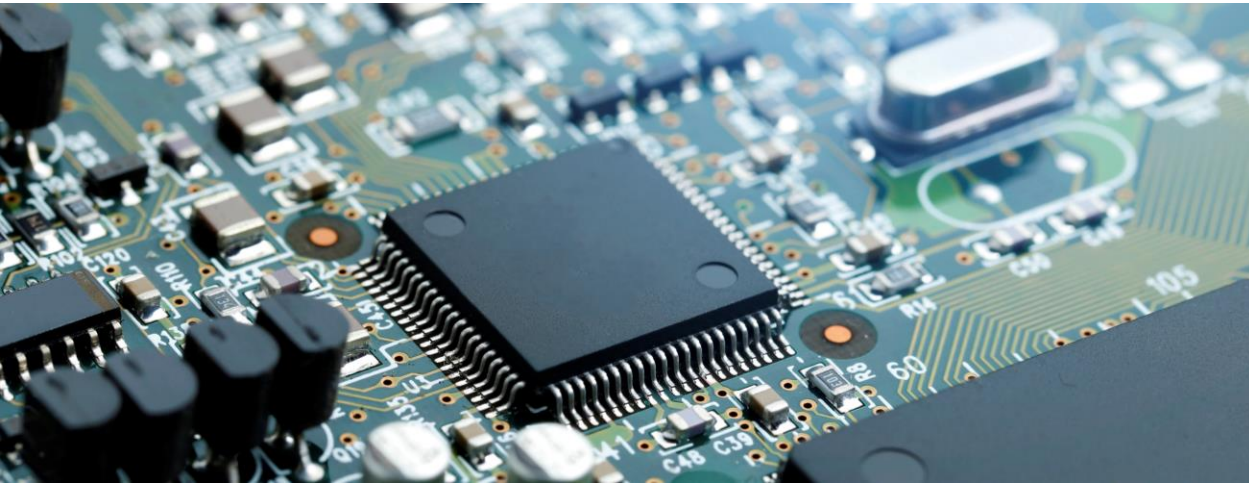
- Process Automation – Rollout in Q1 to larger operations which we anticipate to increase our efficiencies.
- Exploring automation opportunities within Heavy Engineering vertical to achieve efficiencies.

Product Development

- Established a team for AR/VR/3D R&D for product development.
- Model target and remote monitoring-based quality inspection and maintenance is envisioned.
- In discussion with aerospace OEMs and MROs on possibilities.







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THANK YOU