

November 15, 2016

The Manager  
Listing Department  
BSE Limited  
Phirozee Jeejeebhoy Tower,  
Dalal Street  
Mumbai 400 001  
BSE Scrip Code: 532395

The Manager  
Listing Department  
The National Stock Exchange of India Limited  
Exchange Plaza, 5 Floor, Plot C/1, G Block  
Bandra – Kurla Complex, Bandra(E),  
Mumbai 400 051  
NSE Symbol: AXISCADES

Dear Sir,

Sub.: **Q2 & FY 2017 Result Presentation**

Please find attached the consolidated results presentation for Quarter and half year ending September 30, 2016 of AXISCADES Engineering Technologies Ltd., (AXISCADES).

This Presentation is the information for shareholders on the performance of the company for quarter and half year ending September 30, 2016.

Kindly upload presentation to the terminals.

Yours truly,

For **AXISCADES Engineering Technologies Limited**



**Shweta Agrawal**  
Company Secretary

**AXISCADES Engineering Technologies Limited**  
(formerly Axis-IT&T Limited)

CIN : L72200KA1990PLC084435

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# Q2 FY17 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

Key Highlights – Q2 FY7

Financials

Annexures

Commenting on the Q2 FY17 performance, Mr. Sudhakar Gande, Executive Vice Chairman, AXISCADES Engineering Technologies Ltd., *"The revenue in Q2FY17 was impacted owing to developments in one of the key customers. However we see signs of performance uptick in coming quarters.*

*We continue to invest in acquiring high end technical capabilities to address forthcoming requirements in Aerospace, Defense and in emerging areas like Cyber Security, etc. Additionally we are also expanding service offerings which will enable us to be of more relevance to our customers in making their products better and in their digital journey."*

## Financial Highlights Q2 FY17

- ❑ Total Income down 5.6% Q-o-Q and 2.2% Y-o-Y to Rs. 937 million
  - ✓ Impacted by revenue decline particularly in large Heavy Engineering clients.
- ❑ EBITDA at Rs. 80 million; EBITDA margin at 8.5%
  - ✓ Impacted primarily on account of lower revenue base, offsetting benefits of reduction in outsourcing expense and other expenses
- ❑ Earning per share at Rs. 1.26

## Business Highlights

- ❑ Added 5 new customers in the quarter, 2 in India and 3 in North America.
- ❑ Continued focus on efficiency improvements.
- ❑ Investments made over the last year in building new competencies, to translate into topline growth in the coming quarters

| Financial Performance   |             |              |              |
|-------------------------|-------------|--------------|--------------|
|                         | Q2 17       | Q1 17        | Q2 16        |
| Revenue from operations | \$14.0      | \$14.7       | \$14.5       |
| In Million Rs           |             |              |              |
| Revenue from operations | 936         | 986          | 942          |
| <b>Total Income</b>     | <b>937</b>  | <b>992</b>   | <b>957</b>   |
| Employee Expenses       | 613         | 609          | 599          |
| Project Consultancy     | 92          | 114          | 59           |
| Other expenses          | 152         | 169          | 160          |
| Total expenses          | 857         | 892          | 818          |
| <b>EBITDA</b>           | <b>80</b>   | <b>100</b>   | <b>139</b>   |
| <b>PBT</b>              | <b>63</b>   | <b>79</b>    | <b>107</b>   |
| PAT                     | 34          | 46           | 73           |
| EPS (Rs)                | 1.26        | 1.69         | 2.68         |
| <b>EBITDA %</b>         | <b>8.5%</b> | <b>10.1%</b> | <b>14.5%</b> |
| PBT %                   | 6.7%        | 8.0%         | 11.3%        |
| PAT %                   | 3.7%        | 4.6%         | 7.6%         |

## Key Drivers

- ❑ **Revenue** : \$14M down by 4.8% QoQ and 3.4% YoY, As a result of lower revenue from heavy engineering clients.
- ❑ **Project Consultancy** : Decreased by 19%
- ❑ **EBITDA Margin** – Decreased by 1.6% QoQ due to lower revenue and 6% YoY due to lower revenue and increase in project consultancy cost.

| Financial Performance   |              |              |
|-------------------------|--------------|--------------|
|                         | H1 17        | H1 16        |
| Revenue from operations | 28.7         | 28.1         |
| In Million Rs           |              |              |
| Revenue from operations | 1,922        | 1,799        |
| <b>Total Income</b>     | <b>1,929</b> | <b>1,819</b> |
| Employee Expenses       | 1,222        | 1,119        |
| Project Consultancy     | 206          | 110          |
| Other expenses          | 269          | 322          |
| Total expenses          | 1,749        | 1551         |
| <b>EBITDA</b>           | <b>180</b>   | <b>268</b>   |
| <b>PBT</b>              | <b>142</b>   | <b>208</b>   |
| PAT                     | 80           | 135          |
| EPS (Rs)                | 2.95         | 4.96         |
| <b>EBITDA %</b>         | <b>9.3%</b>  | <b>14.7%</b> |
| PBT %                   | 7.4%         | 11.4%        |
| PAT %                   | 4.2%         | 7.4%         |

## Key Drivers

- ❑ **Revenue** : \$ growth of 2.1% YoY led by strong growth in Aerospace vertical, offset by decline in Heavy Engineering.
- ❑ **Project Consultancy** : Expenses incurred to gain competencies and expand service offerings
- ❑ **EBITDA Margin** : Decreased by 5.4% YoY impacted because lower revenue and increase in project consultancy cost.



| Key ratios (%)                | Q2 FY17 | Q1 FY17 | Q2 FY16 | FY16  |
|-------------------------------|---------|---------|---------|-------|
| Gross margin                  | 30.3%   | 31.4%   | 34.5%   | 35%   |
| Selling expenses              | 7.0%    | 6.8%    | 6%      | 6.3%  |
| G&A expenses                  | 14.8%   | 14.5%   | 14%     | 14%   |
| Operating Margin              | 8.5%    | 10.1%   | 14.5%   | 14.7% |
| PBT margin                    | 6.7%    | 8%      | 11.2%   | 11.9% |
| PAT (After Minority Interest) | 3.7%    | 4.6%    | 7.6%    | 7.6%  |
| Basic EPS (Rs.)               | 1.26    | 1.69    | 2.68    | 10.51 |

| Particulars (Rs. million)          | 30-Sep-16 | 31-Mar-16 |
|------------------------------------|-----------|-----------|
| Net Worth                          | 1660      | 1,577     |
| Total debt                         | 167       | 273       |
| - Term loan                        | 0         | 0         |
| - Working Capital                  | 167       | 273       |
| Capital Employed                   | 1660      | 1,577     |
| Trade payables                     | 224       | 183       |
| Fixed assets (Net of Depreciation) | 196       | 224       |
| Cash and cash equivalents          | 302       | 335       |
| Trade receivables                  | 838       | 842       |

| Revenue By Geography (%) | Q2 FY17 | Q1 FY17 | Q2 FY16 | FY16 |
|--------------------------|---------|---------|---------|------|
| Americas                 | 37%     | 33%     | 36%     | 35%  |
| Europe                   | 52%     | 54%     | 49%     | 51%  |
| APAC                     | 11%     | 13%     | 15%     | 14%  |

| Revenue By Industry (%)            | Q2 FY17 | Q1 FY17 | Q2 FY16 | FY16 |
|------------------------------------|---------|---------|---------|------|
| Aerospace                          | 52.4%   | 51.4%   | 48.8%   | 51%  |
| Heavy Engineering                  | 36.5%   | 37.4%   | 38.9%   | 37%  |
| Automotive and Industrial Products | 5.7%    | 6.4%    | 8.4%    | 8%   |
| Renewable Energy                   | 5.4%    | 4.8%    | 3.9%    | 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.

*For further information, please contact:*

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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