

February 13, 2023

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: Q3 FY23 Result Presentation

Please find attached the consolidated results presentation for quarter ended December 31, 2022, of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter ended December 31, 2022.

Kindly upload presentation to the terminals.

Yours faithfully,
For **AXISCADES Technologies Limited**

Sonal Dudani
Company Secretary & Compliance Officer

Encl.: A/a

AXISCADES Technologies Limited

(Formerly AXISCADES Engineering Technologies Limited)

CIN No.: L72200KA1990PLC084435

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Q3 FY23 INVESTORS PRESENTATION

AXISCADES Technologies Limited

CIN NO : L72200KA1990PLC084435

Disclaimer

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 Technologies Limited (ACTL) 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.

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AXISCADES Overview

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

Heavy Engg.

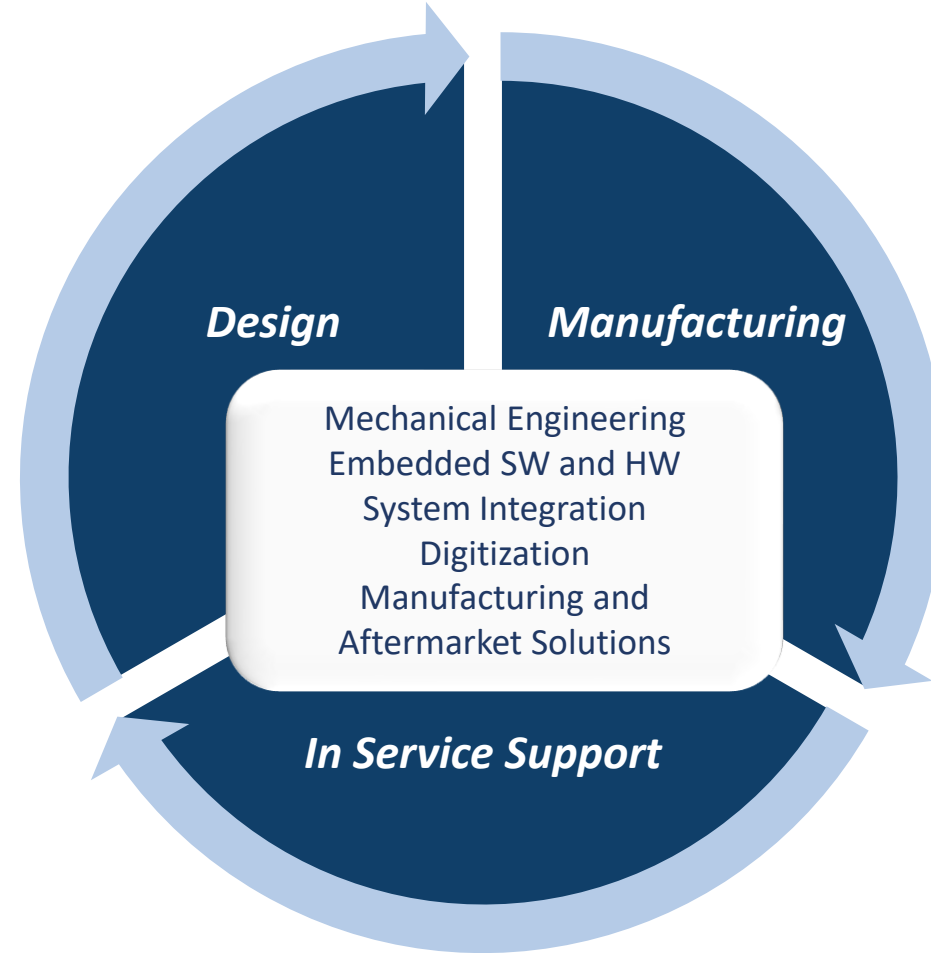


- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing

Energy



- Design, Analysis - Tower, Generator, Hub, Spinner, Nacelle, Yaw, Blade
- Mechanical & Electrical Routing
- Wind Resource Analysis
- Advanced FE Simulations



Defence & Homeland Security

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



Automotive

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



Medical & Healthcare

- Health Monitoring Devices
- Infusion Pumps & Insulin Delivery
- Product Sustenance
- Regulatory Compliance



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

Message from Chairman



Commenting on the results and outlook, Mr. David Bradley, Chairman of AXISCADES said: *“We are delighted by the momentum built in the business, quarter on quarter, and are happy to report highest ever quarterly revenue in this quarter. We continue to execute and strengthen our strategic positioning. As underlined in our key objectives, we have concluded the acquisition of Mistral Solutions in this quarter. This is a value accretive asset for the Company, which will help us expand our capabilities and offerings in semiconductor, defense and homeland security. We are also happy to announce additional contract wins in our new focus areas and the extension of our long-standing relationship with Airbus for the fourth time.”*

Message from MD & CEO





Commenting on the results and outlook, Mr. Arun Krishnamurthi, CEO & MD of AXISCADES said *“As I complete my first year in AXISCADES, I am pleased to report that the journey that we have undertaken in AXISCADES to transform and de-risk the business has translated to vastly improved business and financial performance. Our three-pronged strategy of vertical diversification, customer diversification and digital first is well on course. We have achieved the highest ever quarterly revenue in 3rd quarter and continue to record healthy operating margins. The conclusion of acquisition of Mistral Solutions brings forth opportunities to deliver an enhanced bouquet of services to our Global client base, thereby enhancing revenue and profitability, going forward”.*

Key Highlights for Q3 FY23

- Revenue at **INR 2,134 Mn, Highest ever quarterly revenue; growth of 26.1% Y-o-Y**
- **Broad based growth across all segments**
- USD revenue at \$26.2 Mn growth of 15.3% Y-o-Y
- EBITDA at INR 296 Mn with EBITDA Margin at 13.9% compared to 11.4% in Q3 FY22; **Improved by 250 BPS**
- Awarded a contract by Airbus for the fourth time. The mandate includes engineering services, with significantly enhanced scope, following a rigorous Joint Sourcing Optimisation campaign. This contract renewal will entail niche engineering services on product development and plant engineering across Fuselage & Wings, covering different locations and divisions.
- Completed the acquisition of Mistral Solutions Private Ltd., a leader in Semiconductor, Embedded Electronics, Defence and Product Engineering capabilities. The acquisition, which was initiated in the year 2017, was executed over 4 phases at an aggregate acquisition cost of INR 296 crores. This acquisition will provide us a complementary customer base and opportunities to cross-sell and expand our product and service portfolio, along with the ability to offer our global clientele, latest technologies in embedded electronics and chip design.

Consolidated Financial Performance – Q3 FY23

Particulars (INR Mn)	Q3 FY22	Q2 FY23	Q3 FY23
Revenue	1,693	1,937	2,134
Other Operating Income	6	21	22
Other Income	3	42	18
Total Revenue	1,702	1,999	2,175
Cost of Material consumed	398	336	505
Employee Benefit Exp	813	899	978
Other Expenses	290	328	355
EBITDA	192	374	296
EBITDA Margin	11.4%	19.3%	13.9%
Depreciation and Amortization	61	71	63
EBIT	131	303	233
EBIT Margin	7.7%	15.6%	10.9%
Finance cost	36	85	115
Profit before non-controlling interest / share in net profit of associate / Exceptional items	104	281	158
Share in net Profit/(Loss) of associate	-1	-	-
Exceptional Items	-	-	-236
Tax	23	70	25
PAT	79	211	-102
PAT Adjusted*	79	211	134
PAT Margin	4.7% 	10.5%	-4.7%
PAT Margin (Adjusted)*	4.7% 	10.5%	6.1%
EPS	2.07	5.52	-2.72
EPS Adjusted*	2.07	5.52	3.51

*In Q3 and 9M FY23, consolidated P&L statement recognizes an 'exceptional item', with net negative impact of INR (236)Mn and INR (680) Mn respectively on account of additional consideration and interest cost on acquisition awarded by the Arbitration Tribunal for the Mistral acquisition, which was not part of earlier purchase consideration and interest on Optionally Convertible Debentures relating to Mistral acquisition.

Key highlights Y-o-Y

- Strong Revenue growth of 26.1% driven by double digit growth in the across the verticals
- EBITDA stands at INR 296 Mn; 13.9%, improved by 250 bps from 11.4% in Q3 FY22, driven by growth in key accounts and operating leverage
- Finance cost has increased mainly due to increase in borrowing for Mistral acquisition.

Key highlights Q-o-Q

- Revenue growth of 10.2% driven by double digit growth in Aerospace, Automotive and Product & Solutions Vertical
- EBITDA stands at INR 296 Mn; 13.9%, declined by 540 bps mainly due to services revenue which was booked by our 100% subsidiary in Q2 FY23
- Finance cost has increased mainly due to increase in borrowing for Mistral acquisition.

Revenue Details Q3 FY23

Revenue	Q3 FY22	Q2 FY23	Q3 FY23	QoQ	YoY
US\$ Mn	\$ 22.7	\$ 24.3	\$ 26.2	7.9%	15.3%
INR Million	1,693	1,937	2,134	10.2%	26.1%

Revenue by Vertical	Q3 FY22	Q2 FY23	Q3 FY23	QoQ	YoY
Engineering Design Services	71.3%	74.3%	70.8%	4.9%	26.0%
Strategic Technology Solutions	28.7%	25.7%	29.2%	25.4%	29.3%

Revenue by Industry	Q3 FY22	Q2 FY23	Q3 FY23	QoQ	YoY
Aerospace	25.0%	27.3%	28.2%	13.5%	42.4%
HEG & Others	25.7%	23.4%	19.7%	-7.2%	-3.4%
Product Engineering Services	15.4%	17.4%	15.9%	0.2%	29.8%
AIP	3.4%	3.6%	4.5%	38.7%	67.3%
Energy	1.8%	2.4%	2.3%	4.7%	62.0%
Products and Solutions	28.8%	25.9%	29.5%	25.7%	29.3%

Revenue By Geography	Q3 FY22	Q2 FY23	Q3 FY23	QoQ	YoY
Europe	40.9%	36.0%	34.2%	4.7%	-9.1%
USA	35.3%	36.5%	32.7%	-1.2%	17.0%
APAC	18.8%	22.8%	28.7%	38.6%	92.3%
Canada	5.0%	4.7%	4.4%	2.6%	12.3%

Revenue by Location	Q3 FY22	Q2 FY23	Q3 FY23
Offshore	72.6%	75.2%	76.1%
Onsite	27.4%	24.8%	23.9%

Revenue by Project	Q3 FY22	Q2 FY23	Q3 FY23
Fixed Price	58.8%	58.7%	60.9%
Time & Material	41.2%	41.3%	39.1%

Key Takeaways

- Overall revenue growth 26.1% majorly driven by increased traction across the industry except HEG & others due to supply side challenges
- Engineering Design has grown by 26.0% Y-o-Y mainly due to growing contribution from existing customers in Aerospace, Product Engineering Services and recently added clients in AIP verticals
- Strategic Technology Solutions has delivered a strong growth of 29.3% on account of strong recovery in sub-segments
- Aerospace continues to grow and is up by 42.4% Y-o-Y. The growth is attributable to recovery in the sector and increased business from existing clients
- HEG shown muted performance due to supply side challenges and slowdown in capex investments
- AIP grew by 67.3% driven by ramp up in recently added clients
- Products and Solutions vertical has delivered strong growth in third consecutive quarter; driven by the traction in recently won contract for the supply of Anti-drone systems to Indian defence
- All geography except Europe has shown double digit growth.

Business performance and Outlook

Aerospace

The Aerospace vertical grew by 42.4% Y-o-Y. The resurgence of the aviation industry, new client wins, and newer area of business has enabled the increase of wallet share from existing clients. Fourth time that the company has been awarded a contract by Airbus, for engineering services, with significantly enhanced scope, following a rigorous Joint Sourcing Optimisation campaign. This contract renewal will entail niche engineering services on product development and plant engineering across Fuselage & Wings, covering different locations and divisions.

Heavy Engineering (HEG)

HEG business is facing supply side challenges followed by slow down in capex investments. We see positive outlook in this sector however this vertical may face some challenges due to inflationary pressure and a slowdown in capex investments. The macro economic headwinds may bear upon the sector and growth can be muted going forward.

AIP & Energy

Automotive vertical witnessed growth of 67.3% Y-o-Y. This growth is in line with our expectation we are making significant investment in this vertical. Recently added customer's ramp up is on track. We expect this vertical to maintain the momentum in coming quarters.

The Energy Vertical registered a 62.0% growth Y-o-Y. We are investing in this vertical to acquire new talents with requisite skills to cater future growth opportunity.

Product Engineering Services

Revenue from Product Engineering services has grown by 29.8% growth. This was driven by the traction in existing clients in semiconductor domain.

Product & Solutions

Revenue from Product and Solutions has grown 29.3% Y-o-Y. This was driven by the improved traction in existing clients. The outlook of this vertical is positive and we are hopeful of continuing the momentum in coming quarters as well.

About AXISCADES Technologies Ltd.

AXISCADES is a leading, end to end technology and engineering solutions provider aiding creation of innovative, sustainable and safer products worldwide. Headquartered in Bangalore with subsidiaries in USA, UK, Canada, Germany, India and China; and offices in Germany, France, Denmark, USA and Canada.

AXISCADES has a diverse team of over 2200 professionals working across 17 locations across North America, Europe, UK and Asia-Pacific, striving to reduce the program risk and time to market. The company offers Product Engineering Solutions across Embedded Software and Hardware, Digitisation and Automation, Mechanical Engineering, System Integration, Test Solutions, Manufacturing Engineering, Technical Publications, and Aftermarket Solutions.

The solutions comprehensive portfolio covers the complete product development lifecycle from concept evaluation to manufacturing support and certification for Fortune 500 Companies in the Aerospace, Defense, Heavy Engineering, Automotive, Medical Devices & Industrial Product industries. The company is known for its robust system of certifications and best practices that address customer requirements and domain expertise

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