

January 24, 2020

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400051  
BSE Scrip Code : 532395

The Manager  
Dptt. of Corporate Services  
BSE Limited  
Floor 25 Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 051  
NSE Symbol: AXISCADES

Dear Sir,

**Sub.: Q3 FY20 Result Presentation**

Please find attached the consolidated results presentation for Quarter and Nine months ended December 31, 2019 of AXISCADES Engineering Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for the period ended December 31, 2019.

Kindly upload presentation to the terminals.

Yours truly,  
For **AXISCADES Engineering Technologies Limited**



**Shweta Agrawal**  
Company Secretary

**AXISCADES Engineering Technologies Limited**

CIN No.: L72200KA1990PLC084435

D-30, Sector - 3, Noida - 201 301, Uttar Pradesh INDIA Ph: +91 120 451 8200 / 8300 Fax: +91 120 244 2921

Reg. Office : Block C, Second Floor, Kirloskar Business Park, Bengaluru - 560 024 Karnataka INDIA  
Ph: +91 80 4193 9000 Fax: +91 80 4193 9099 | Email: info@axiscades.com | www.axiscades.com



## Q3 FY20 RESULTS PRESENTATION

**AXISCADES Engineering 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 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.

# Table of Contents

---

- 1 Company Overview
- 2 Key Highlights
- 3 Consolidated Financials
- 4 Revenue Segmentation
- 5 Annexures

# 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.

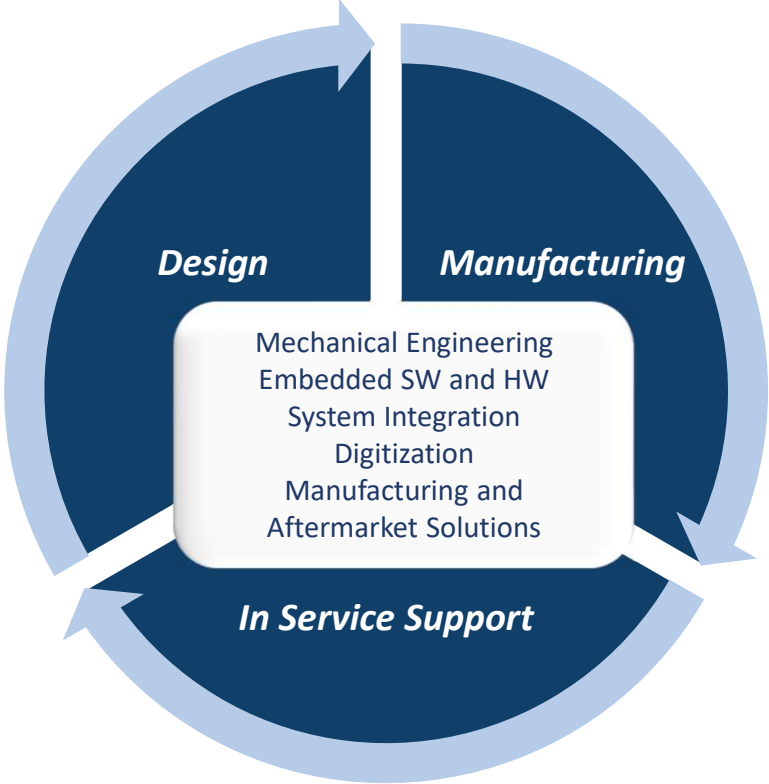


- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing

## 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.*

## Chairman's Message

---

**Commenting on the Q3 FY20 performance, Mr. David Bradley, Chairman AXISCADES** “We have done some intensive groundwork to enhance our go-to-market approach and strengthen our relationship with existing clients for repeat business. Considerable steps have been taken to continue fostering high performance and agile work culture that is well suited to meet the stringent demands of the industries we operate in. With a good quarter in the bag, we are looking to end the financial year on a strong note with increased focus on our key strategies.”

## Key Highlights Q3 FY20

---

### *Business Highlights*

- ❑ Won two *multi-year, multi-million* Contracts
- ❑ Initiated engagement with a new Heavy Engineering customer in North America
- ❑ Received additional orders from a European Defense OEM

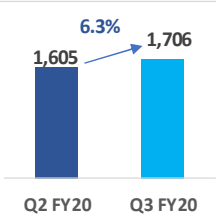
### *Financial Highlights*

- ❑ 8.3% growth in *Total Income* Y-o-Y
- ❑ *Highest ever Operating* margins of 16% for Q3 FY20
- ❑ 75% growth in Q3 PAT to Rs 82 Mn
- ❑ Rs 139 Mn PAT for 9M period ended 31st December 2019
- ❑ Credit Rating upgraded to CARE BBB Stable

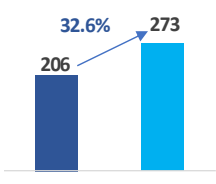
## Consolidated Financial Performance – Q3 FY20

	Q3 FY20	Q2 FY20	Q3 FY19
<b>Revenue from operations (\$ Million)</b>	<b>\$ 23.5</b>	<b>\$ 22.2</b>	<b>\$ 22.3</b>
	INR Mn	INR Mn	INR Mn
Revenue from operations	1,683	1,578	1,599
Other Income	23	27	9
<b>Total Income</b>	<b>1,706</b>	<b>1,605</b>	<b>1,608</b>
Employee Expenses	951	940	918
Direct Expenses (Material Cost)	184	184	238
Project consultancy Charges	84	45	59
Other expenses	215	230	270
<b>Total expenses</b>	<b>1,433</b>	<b>1,399</b>	<b>1,485</b>
<b>Operating Margins</b>	<b>273</b>	<b>206</b>	<b>123</b>
PBT	124	70	14
<b>PAT (Before Minority Interest)</b>	<b>82</b>	<b>47</b>	<b>(6)</b>
<b>PAT (After Minority Interest)</b>	<b>80</b>	<b>45</b>	<b>(7)</b>
<b>Basic EPS</b>	<b>2.12</b>	<b>1.20</b>	<b>(0.19)</b>
<b>Operating Margins %</b>	<b>16.0%</b>	<b>12.8%</b>	<b>7.6%</b>
PBT %	7.3%	4.3%	0.8%
PAT % (After Minority Interest)	4.8%	2.9%	-0.4%

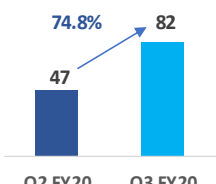
### Q-o-Q Highlights



TOTAL INCOME (INR Mn)

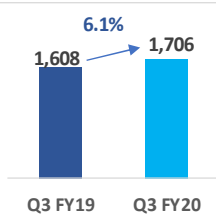


OPERATING MARGINS (INR Mn)

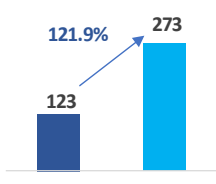


PAT (INR Mn)

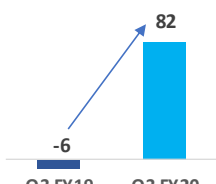
### Y-o-Y Highlights



TOTAL INCOME (INR Mn)



OPERATING MARGINS (INR Mn)



PAT (INR Mn)

### Explanatory Notes

#### All round improvement in operating parameters

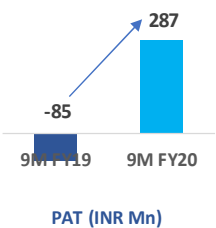
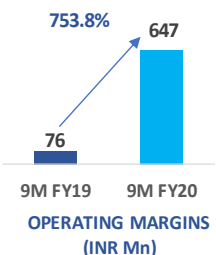
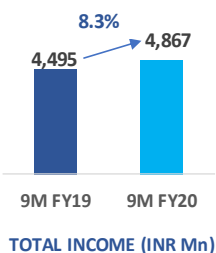
- 6.3% growth in Total Income driven by Engineering
- Project consulting expenses driven by Product and Solutions Business
- Operating margins improved by 33% Q-o-Q
- PAT improved to Rs 82 Mn from Rs (6) Mn Y-o-Y



## Consolidated Financial Performance – 9M FY20

	9M FY20	9M FY19
<b>Revenue from operations (\$ Million)</b>	<b>\$ 67.6</b>	<b>\$ 64.0</b>
	INR Mn	INR Mn
Revenue from operations	4,805	4,453
Other Income	63	41
<b>Total Income</b>	<b>4,867</b>	<b>4,495</b>
Employee Expenses	2,744	2,594
Direct Expenses (Material Cost)	617	669
Project consultancy Charges	173	199
Other expenses	686	957
<b>Total expenses</b>	<b>4,221</b>	<b>4,419</b>
<b>Operating Margins</b>	<b>647</b>	<b>76</b>
PBT	219	(86)
<b>PAT (Before Minority Interest)</b>	<b>139</b>	<b>(85)</b>
<b>PAT (After Minority Interest)</b>	<b>135</b>	<b>(88)</b>
<b>Basic EPS</b>	<b>3.57</b>	<b>(2.33)</b>
<b>Operating Margins %</b>	<b>13.3%</b>	<b>1.7%</b>
PBT %	4.5%	-1.9%
PAT % (After Minority Interest)	2.9%	-1.9%

### Y-o-Y Highlights



### Explanatory Notes

#### All round improvement in operating parameters

- 8.3% growth in Total Income driven by Strategic Technology Solutions
- Other expenses in the current year has decreased on account of
  - IND AS 116 impact Rs 115 Mn
  - One-off provisions in 9M FY19 of Rs 118 Mn
  - Cost optimization
- PAT improved to Rs 139 Mn from Rs (85) Mn

## Financial Metrics – Continuous improvement

Key ratios (%)	Q3 FY20	Q2 FY20	Q1 FY20	Q4 FY19	Q3 FY19	Q2 FY19	Q1 FY19	FY19	FY18
Total Income (Rs. Mn.)	1,706	1,605	1,556	1,673	1,608	1,639	1,248	6,168	5,342
Gross margin	32.7%	30.7%	26.6%	29.6%	27.4%	25.9%	18.5% <sup>#</sup>	26.0% <sup>#</sup>	30.0%
Selling expenses	5.1%	5.9%	5.7%	6.0%	7.0%	7.5%	8.4%	7.0%	7.8%
G&A expenses	13.8%	14.0%	12.2%	14.1%	11.6%	13.6%	12.3%	13.3%	14.5%
Provision for Debtors	0.5%	0.0%	0.1%	1.4%	1.1%	7.9%	-2.4%	2.3%	1.6%
Operating Margins (Normalised)	13.4%	10.7%	8.6%	8.0%	7.6%	-3.1%	0.2%	3.4%	6.1%
Lease (IND AS 116)	2.6%	2.1%	2.2%	-	-	-	-	-	-
Operating Margins (Reported)	16.0%	12.8%	10.8%	8.0%	7.6%	-3.1%	0.2%	3.4%	6.1%
PBT margin	7.3%	4.3%	1.6%	0.1%	0.8%	0.3%	-8.4%	-3.7%	0.0%
PAT (Before Minority Interest)	4.8%	2.9%	0.7%	0.5%	-0.4%	0.0%	-6.4%	-1.2%	-1.5%
EPS (Rs.) Basic	2.12	1.20	0.25	0.18	-0.19	-0.01	-2.13	-2.15	-2.18
EPS (Rs.) Diluted	2.09	1.19	0.25	0.18	-0.19	-0.01	-2.13	-2.15	-2.18

Gross Margin = Total Income Less : Employee cost involved in delivery, Outsourcing, Project travel, Software licenses and Facilities cost

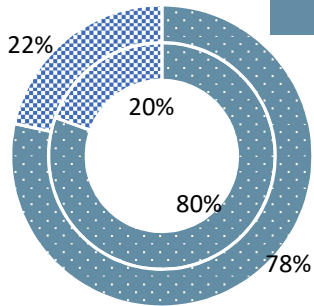
**Note :**

<sup>#</sup> Lower margins in FY19 is attributed to operating losses in Strategic Technology business

# Revenue Metrics

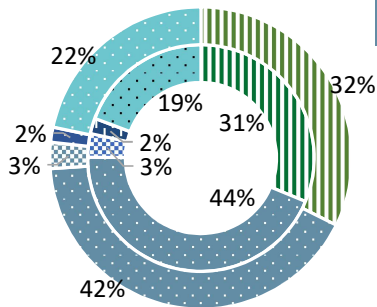
Inner Circle – 9M FY19, Outer Circle 9M FY20

By Vertical



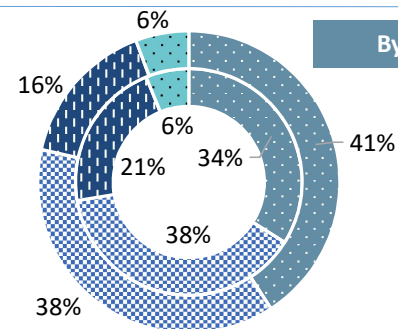
- Strategic Technology Solutions
- Engg. Design Service

By Industry



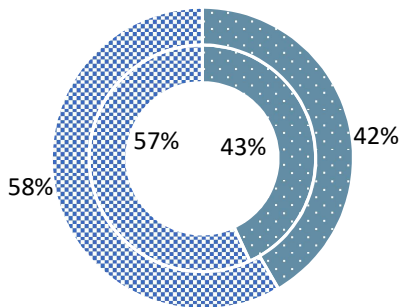
- Aerospace
- HEG
- Energy
- Products & Solutions
- AIP

By Geography



- EUROPE
- USA
- APAC
- Canada

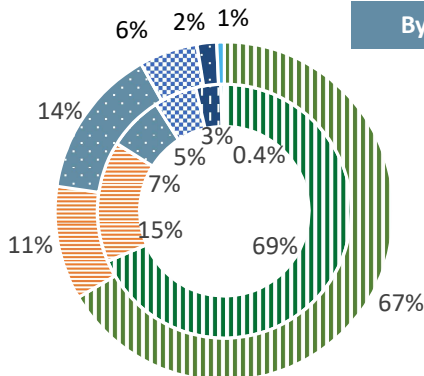
By Delivery location



- Offshore
- Onshore

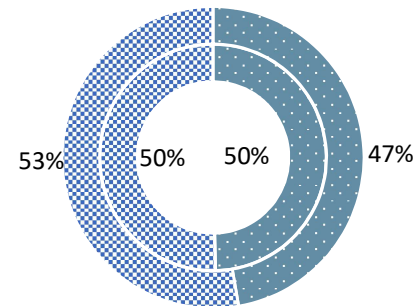


By Currency



- USD
- INR
- EUR
- CAD
- GBP
- Others

By Project Type



- Fixed Price
- Time & Material

## Consolidated Balance Sheet Snapshot

Particulars	31-Dec-19	30-Sep-19	31-Mar-19
	(INR Mn)	(INR Mn)	(INR Mn)
<b>Net Worth</b>	<b>2,990</b>	<b>2,891</b>	<b>2,847</b>
Total debt	1,488	1,377	1,517
- Long term loan	351	399	490
- Current maturities of long term Borrowings	208	207	202
- Short term loan	929 <sup>1</sup>	771	825
Trade payables	438	404	353
Fixed assets (Net of Depreciation)	1,666	1,675	1,732
Goodwill on consolidation	1,666	1,663	1,659
Right-of-use Assets	284	316	-
Capital work-in-progress	4	4	1
Intangible assets under development	6	11	5
Cash and cash equivalents	204	229	306
Bank balances other than cash and cash equivalents	244	244	277
Investments	207	225	202
Trade receivables	1,720 <sup>2</sup>	1,351	1,529

1. Used to procure long lead items to meet Q4 deliverables of Strategic Technology Business
2. Temporary spike owing to Christmas holidays, money received subsequent to reporting date.

---

# Annexures

## About AXISCADES Engineering Technologies Ltd.

---

AXISCADES is a Technology Company focusing on Product Engineering Solutions, serving Global OEMs. Its proven technology products and services, coupled with industry best practices, enable global OEMs to create innovative, sustainable, safer and smarter products.

The company has more than 2,300 engineers worldwide, offers solutions in mechanical engineering, embedded software and hardware, system integration, manufacturing and aftermarket solutions across domains addressing every stage of product lifecycle development. Headquartered in Bengaluru, AXISCADES has 14 engineering centers worldwide including North America, Europe and Asia.

*For further information, please contact:*

---

**A Srinivas**

AXISCADES Engineering Technologies Ltd.  
Kirloskar Business Park, Block 'C', 2nd Floor, Hebbal,  
Bangalore – 560 024, India  
Tel: +91 80 4193 9000  
Email : [investors.relations@axiscades.com](mailto:investors.relations@axiscades.com)

**Gavin Desa / Rishab Barar**

CDR, India  
Floor 3, Raj Mahal Building, Veer Nariman Road,  
Churchgate,  
Mumbai 400 020  
Tel: +91 22 6645 1237 / 1235  
Email: [gavin@cdr-india.com](mailto:gavin@cdr-india.com) / [rishab@cdr-india.com](mailto:rishab@cdr-india.com)

---

## 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