

August 11, 2022

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.: Q1 FY23 Result Presentation

Please find attached the consolidated results presentation for quarter ended June 30, 2022, of AXISCADES Technologies Limited (AXISCADES).

This presentation is the information for shareholders on the performance of the Company for quarter ended June 30, 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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Q1 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.

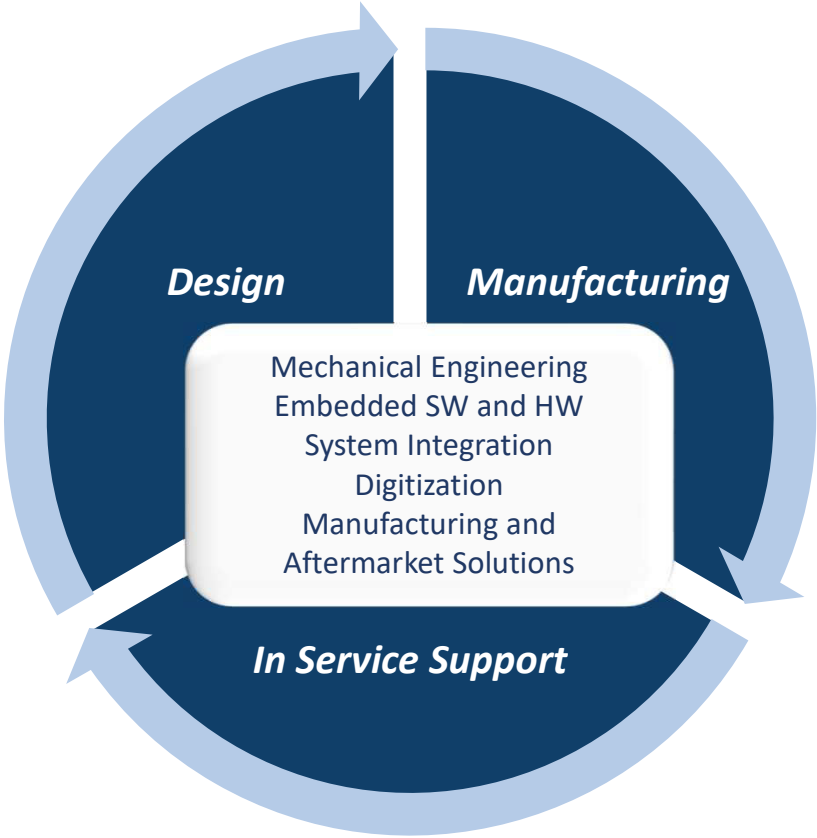


- Structures, Cabin Design
- Engine, Powertrain
- Electrical, Lube, Hydraulic systems Design
- Digital Manufacturing

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 had a strong start to FY23 and are delighted to announce that the acquisition of Mistral Solutions is nearing completion. Mistral is a leading global player in system engineering and product design and is focused on the embedded domain with a successful track record spanning over two decades. This acquisition will strengthen our embedded electronics practice. It will provide a further impetus to our growth by unlocking cross selling opportunities across our global client base. Our team is energized and excited for the next level of growth. The incremental benefits will be realised over the medium term once we extract synergies between the two entities.”

We continue to build upon the momentum generated in FY22 and have delivered double digit growth across key financial metrics. Our core business of Aerospace and Heavy engineering is seeing robust growth and we are optimistic about growing further in this space. The strategy to diversify in the automotive and energy segments is gaining traction as envisaged in our plans. We are encouraged by the opportunities in front of us and have a strong order pipeline with good order book.”

Message from MD & CEO



Commenting on the results and outlook, Mr. Arun Krishnamurthi, CEO & MD of AXISCADES said *“We are off to a great start for the year and have registered a revenue growth of 64% in the first quarter of FY23. Our Aerospace and heavy engineering segments continue to expand, registering a growth of 46% and 21% respectively. We are also excited about the prospects in the automotive space which is our new focus area. We plan to tactfully build domain expertise within the automobile industry and enable our clients to leverage the fast-paced technological evolutions which are developing in this sector. Our efforts to diversify our revenue stream are progressing well with good traction seen in the newer segments. We have expanded our team significantly to execute the new assignments and deliver value to our clients. We are excited to build new long-term alliances. We continue our journey of building capability in Embedded and Digital are seeing good traction from clients across sectors in this space. We are taking a step forward in our commitment to build a leading-edge technology solutions provider.”*

Key Highlights for Q1 FY23

- Revenue at **INR 1,833 Mn; growth of 63.5% Y-o-Y**
- USD revenue at \$23.6 Mn growth of 55.2% Y-o-Y
- EBITDA at INR 264 Mn with EBITDA Margin at 14.1% compared to 11.4% in Q1 FY22; **Improved by 270 BPS**
- PAT Adjusted for exceptional item stands at INR 128 Mn; against INR 13 Mn in Q1 FY22
- The Company is in the process of completing 100% acquisition of Mistral Solutions Pvt Ltd, pursuant to the award by the Arbitration Tribunal. The acquisition of Mistral will provide the company with strong impetus in developing and strengthening its embedded electronics practice and deploying it globally
- Established an Offshore development centre in Bangalore for a global leader in the Integrated EPC space, Supporting Application Development, Testing for Payment and Micro Services
- Strong revenue visibility in Strategic Technology Solutions vertical
- Recent foray into Automotive and Energy verticals progressing as per plan

Consolidated Financial Performance – Q1 FY23

Particulars (INR Mn)	Q1 FY22	Q4 FY22	Q1 FY23
Revenue	1,121	1,919	1,833
Other Operating Income	-	8	10
Other Income	27	28	27
Total Revenue	1,148	1,956	1,869
Cost of Material consumed	91	515	430
Employee Benefit Exp	693	825	878
Other Expenses	234	298	297
EBITDA	131	317	264
EBITDA Margin	11.4%	16.2%	14.1%
Depreciation and Amortization	58	72	64
EBIT	73	245	200
EBIT Margin	6.3%	12.5%	10.7%
Finance cost	39	41	18
Profit before non-controlling interest / share in net profit of associate / Exceptional items	33	204	182
Share in net Profit/(Loss) of associate	0	-4	-0
Exceptional Items	-	-17	-444
Tax	20	78	54
PAT	13	106	-317
PAT Adjusted*	13	123	128
PAT Margin	1.2%	5.4%	-17.0%
PAT Margin (Adjusted)*	1.2%	6.3%	6.8%
EPS	0.32	2.78	-8.34
EPS Adjusted*	0.32	3.25	3.36

*PAT Adjusted for Exceptional Item: In Q1 FY23, consolidated P&L statement recognizes as 'exceptional item', with a net negative impact of INR (444) Mn on account of additional consideration and interest, awarded by the Arbitration Tribunal for the Mistral acquisition, which was not part of earlier purchase consideration. In Q4 FY22, INR (16.9) Mn on account of reversal of impairment charges in Mistral



Key highlights Y-o-Y

- Revenue growth of 63.5% driven by substantial growth in the Aerospace, HEG, Products & Solutions vertical
- EBITDA stands at INR 264 Mn; 14.1%, higher by 270 bps from 11.4% in Q1 FY22.
- Adjusted PAT at INR 128 Mn, compared to INR 13 Mn in Q1 FY22

Revenue Details Q1 FY23

Revenue	Q1 FY22	Q4 FY22	Q1 FY23	QoQ	YoY
US\$ Mn	\$ 15.2	\$ 25.7	\$ 23.6	-8.0%	55.1%
INR Million	1,121	1,919	1,833	-4.5%	63.5%

Revenue by Vertical	Q1 FY22	Q4 FY22	Q1 FY23	QoQ	YoY
Engineering Design Services	90.8%	71.3%	72.2%	14.7%	30.7%
Strategic Technology Solutions	9.2%	28.7%	27.8%	66.7%	394.8%

Revenue by Industry	Q1 FY22	Q4 FY22	Q1 FY23	QoQ	YoY
Aerospace	30.2%	22.4%	26.9%	14.8%	45.8%
HEG & Others	53.9%	44.0%	39.9%	-13.2%	21.4%
AIP	4.1%	2.6%	3.2%	15.7%	26.0%
Energy	2.6%	1.7%	2.2%	20.0%	37.4%
Products and Solutions	9.2%	29.3%	27.8%	-9.3%	394.2%

Revenue By Geography	Q1 FY22	Q4 FY22	Q1 FY23	QoQ	YoY
Europe	27.0%	29.2%	40.1%	31.3%	143.8%
USA	46.8%	39.5%	34.4%	-16.8%	20.2%
APAC	16.8%	27.1%	21.4%	-24.6%	107.9%
Canada	9.3%	4.2%	4.1%	-7.5%	-28.8%

Revenue by Location	Q1 FY22	Q4 FY22	Q1 FY23
Offshore	63.7%	75.7%	74.9%
Onsite	36.3%	24.3%	25.1%

Revenue by Project	Q1 FY22	Q4 FY22	Q1 FY23
Fixed Price	42.4%	61.6%	60.1%
Time & Material	57.6%	38.4%	39.9%

Key Takeaways

- Overall revenue growth 63.5% majorly driven by increased traction from key clients
- Engineering Design has grown by 30.7% Y-o-Y mainly due to growing contribution from top customers in the Aerospace & HEG verticals
- Strategic Technology Solutions has delivered a strong growth on account of strong recovery in sub-segments
- Aerospace continues to grow and is up by 45.8% Y-o-Y. The growth is attributable to new client wins and increased revenue from key client
- HEG grew by 21.4% Y-o-Y driven by new service offering to existing clients
- Recently added clients are driving the growth in AIP vertical which has increased by 26.0% Y-o-Y
- Products and Solutions vertical has resumed growth trajectory overcoming recent supply chain issues to deliver 394.2% growth
- USA has grown by 20.2% Y-o-Y mainly on the back of increased business from key clients
- Europe has delivered a strong growth of 143.8% Y-o-Y, on account of increased traction in Aerospace clients

Business performance and Outlook

Aerospace

The Aerospace vertical grew by 45.8% Y-o-Y. Our recent engagement with one of the largest Aerospace companies has commenced and will augur well in terms of sustained growth. This vertical is witnessing an encouraging recovery and we expect the momentum to continue in the coming quarters.

Heavy Engineering (HEG)

In Q1 FY23 HEG grew 21.4% over the previous year. While the outlook for this sector continues to be positive, the business 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 26.0% Y-o-Y. Operations have commenced on our recent engagement with a Tier-1 Automotive company in the areas of embedded, mechanical and hardware. We expect substantial incremental revenue in upcoming quarters.

Leveraging the new skills and capabilities will put us in favourable position for further client addition in this space.

The Energy Vertical witnessed growth of 37.4% Y-o-Y. We expect contribution from this vertical to increase in coming quarter on account of visibility from our clients in this space. This is another focus area for the company Our earlier investment to add new skills in digital area in this vertical has begun showing results.

Product & Solutions

Revenue from Product and Solutions has resumed growth trajectory overcoming recent supply chain issues to deliver 394.2% growth. The current order book provides a stable outlook for FY23.

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 2100 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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