

April 17, 2024

Listing Department  
National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (E),  
Mumbai- 400051  
NSE Symbol: AXISCADES

The Manager  
Dptt. of Corporate Services  
BSE Limited  
Floor 25 Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai – 400 051  
BSE Scrip Code: 532395

Dear Sir/Madam,

**Sub: Press Release - CARE Ratings Upgrades AXISCADES Technologies Ltd. at 'CARE A-'/Stable**

With reference to the captioned subject, please find enclosed Press Release titled "CARE Ratings Upgrades AXISCADES Technologies Ltd. at 'CARE A-'/Stable."

This is for your information and necessary records.

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

**CARE Ratings Upgrades AXISCADES Technologies Ltd. at 'CARE A-/Stable**

*As per the rating agency, the key rating strengths were:*

- ***Improvement in capital structure following fundraise through QIP***
- ***Stable operational performance in 9MFY24***
- ***Established operational track record supported by marquee customers***
- ***Fair diversification across sectors and geographies***

Bengaluru, 17 April 2024: AXISCADES Technologies Ltd. [AXISCADES (BSE: 532395 | NSE: AXISCADES)], a global leader in technology and engineering solutions, has announced that CARE Ratings has upgraded its long-term bank facilities at 'CARE A-' with a Stable Outlook and short-term facilities at 'CARE A2+' from 'CARE BBB+- Stable' and 'CARE A2' respectively.

As per the rating agency, the key rating strengths were:

**Improvement in capital structure following fund raise through QIP:**

ACTL raised net proceeds of ₹203 crores through QIP issue in the month of January 2024, of which ₹158 crores is earmarked for debt repayment while the balance ₹45 crores is for utilisation towards general corporate purposes. Of the ₹158 crores towards debt repayment, the company has already pre-repaid NCD to the tune of ₹105 crore while the balance amount of ₹53 crores would be prepaid by December 31, 2024. With such debt prepayments, CARE Ratings estimates that ACTL's overall gearing would be less than 0.30x as on March 31, 2025, which would be a significant improvement from 0.71x as on March 31, 2023. This apart, there will be an improvement in debt coverage indicators also due to a reduction in interest costs.

**Stable operational performance in 9MFY24:**

After witnessing a significant jump in revenues in FY23 to ₹822 crore from ₹610 crore in FY22, the company is able to maintain the sales momentum in 9MFY24 wherein it recorded sales of ₹703 crore. This is majorly driven by increased traction in the Automotive and Energy, Aerospace, Product Engineering Services (PES), and Product and Solutions (Defence) verticals. CARE Ratings estimates that the company's revenue would grow at a compounded annual growth rate (CAGR) of 15-18% in the medium term while maintaining PBDIT margins in the range of 16%-18%. In CARE Ratings' opinion, management's focus on the consistent addition of new customers in diversified segments would de-risk ACTL from over-dependence on a single customer/vertical and will augur well for its long-term prospects.

**Established operational track record supported by marquee customers:**

ACTL commenced operation in 1990 and has more than two decades of satisfactory track record of operation. Satisfactory execution of the awarded projects enabled the company to



establish its credentials, in acquiring marquee customers over the years and repeat orders from them, which has been the core strength of the company. CARE Ratings notes that the company has acquired these customers over the years, who are expected to continue carrying out the business considering their established relationship with the company. The company continues to acquire new clientele as witnessed in the past year, which augurs well for its revenues and profitability prospects.

**Fair diversification across sectors and geographies:**

ACTL operates primarily across five sectors – aerospace, heavy engineering, automotive, energy and defence. For 9MFY24, with a share of 29%, Aerospace vertical is the largest part of ACTL's business followed by defence – 26%, heavy engineering – 17% and while remaining in the products engineering, automotive and energy segments. In terms of geography as well, the revenues are well diversified across Europe, North America and Asia Pacific

**Commenting on the upgrade, Mr. Arun Krishnamurthi, the CEO and MD of AXISCADES, said** “We are pleased to announce the CARE Ratings' upgrade of our bank facilities at 'CARE A-' with a Stable Outlook. This upgrade reaffirms our commitment to maintaining a strong capital structure and delivering stable operational performance as reflected by the repayment of our high-cost non-convertible debentures. With the successful fundraise through QIP, we have significantly improved our debt coverage indicators, paving the way for improved free cash flow generation, enhanced financial stability and flexibility. Our consistent sales momentum, driven by increased traction in key segments, reflects the resilience and adaptability of our business model. We remain focused on delivering value to our stakeholders and we are confident in our ability to sustain our growth journey.”

With this rating upgrade, AXISCADES Technologies Ltd. continues to demonstrate resilience and stability amidst changing market conditions, solidifying its position as a leading player in the global technology and engineering solutions sector.

**About AXISCADES Technologies Ltd.:**

AXISCADES is a leading, end-to-end technology and engineering solutions provider aiding the creation of innovative, sustainable, and safer products worldwide. Headquartered in Bangalore with subsidiaries in the USA, UK, Canada, Germany, India, and China; and offices in Germany, France, Denmark, USA, and Canada. AXISCADES has a diverse team of over 2,800 professionals working across 17 locations across North America, Europe, the 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.

More information: [www.axiscades.com](http://www.axiscades.com)

LinkedIn: <https://www.linkedin.com/company/axiscades/>

**For further Queries please contact (Investor/Media)**

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#### **Safe Harbor**

Certain statements in this communication may be '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 the political and economic environment in India and overseas, tax laws, import duties, litigation, and labour relations. AXISCADES Technologies Ltd. (AXISCADES) 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.