



**AXISCADES**

Inspired Solutions. By Design



# Q4 & FY16 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**

**FY16 Business and Financial Highlights**

**Financials**

**Operational Metrics**

**Commenting on the FY16 performance, Mr. Sudhakar Gande, Executive Vice Chairman, AXISCADES Engineering Technologies Ltd.,** “Financial year FY16, was the year of re-organization in the company and we took necessary steps to align our organization to serve our clients better and with renewed focus. Our approach has helped us in growing PAT by 47% in FY16. This coupled with our sharp focus on operational efficiency; delivery and quality for meeting our customers' expectations helped us to grow margins significantly during FY16. Our recent award of “Preferred Engineering Supplier” status with European Aerospace major, will help us to expand into multi-year large contracts in this space.”

- ❑ Announced acquisition of AXISCADES Aerospace and Technologies Private Limited (ACATPL) through merger of its holding company. ACATPL provides strategic technologies to Aerospace, Defence and Homeland Securities.
- ❑ Renewal of “Preferred Engineering Supplier” status with European Aerospace global OEM.
- ❑ Inaugurated new Engineering “Offshore Development Centre (ODC)”, for Siemens Wind Power, in Hyderabad
- ❑ Addition of 19 new clients in FY16
- ❑ Strengthened sales presence in North America and Europe and at key accounts.
- ❑ Set up Practice team to create Innovative solution for OEM’s

- ❑ Growth of 18 % in INR terms and 10.4% in \$ terms led by growth from Aerospace and Heavy Engineering vertical.
- ❑ FY16 EBITDA Margin at 14.7 % up 150 basis points from FY15, contributed by expansion in gross margin and offset by Investment in sales and leadership hiring.
- ❑ FY16 PAT at 286 Million INR up 47% from FY15.
- ❑ Earnings per share at Rs 10.51 up 36.7 % from FY15.
- ❑ Q4FY16 Revenue from operations at INR 990 Million up 2.5% QoQ and 19% YoY
- ❑ Q4 FY16 EBITDA margin at INR 143 Million up 18% YoY
- ❑ In FY16 we saw significant improvement of 8% in ratio of revenue from fixed price contract

Revenue  
↑ 18.2%

EBITDA  
↑ 32.8%

Profit Before Tax  
↑ 55.3%

Profit After Tax  
↑ 47.2%

EPS  
↑ 36.7%

## Financial Performance

	FY 16	FY 15
Revenue from operations in \$ Mn	\$ 57.4	\$ 52.0
In Million Rs		
<b>Revenue from operations</b>	<b>3,754</b>	<b>3,176</b>
Total Income	3,775	3,176
Employee Expenses	2,281	2,012
Other expenses	939	746
Total expenses	3,219	2,758
<b>EBITDA</b>	<b>555</b>	<b>418</b>
<b>PBT</b>	<b>447</b>	<b>288</b>
PAT (after Minority Interest)	286	194
EPS (in Rs)	10.51	7.69
<b>EBITDA %</b>	<b>14.7%</b>	<b>13.2%</b>
PBT %	11.9%	9.1%
PAT %	7.6%	6.1%

## Key Drivers

- ❑ **Revenue** – Growth of 18 % in INR terms and 10.4% in \$ terms led by growth from Aerospace and Heavy Engineering.
- ❑ **Employee cost** – Employee cost up by 13.4% given investments in strengthening sales and technical leadership (On account of Direct Headcount addition and new addition in leadership and sales team)
- ❑ **Other Expenses** – Investments in higher project consultancy costs to enter into new areas of work to propel our growth

**Q-o-Q Revenue**

↑ 2.5%

**Q-o-Q PBT**

↑ 2.3%

**Y-o-Y Revenue**

↑ 19%

**Y-o-Y PBT**

↑ 38%

## Financial Performance

## Key Drivers

	Q4 16	Q3 16	Q4 15
Revenue from operations in \$ Mn	\$ 14.7	\$ 14.7	\$ 13.5
In Million Rs			
<b>Revenue from operations</b>	<b>990</b>	<b>966</b>	<b>832</b>
Total Income	990	977	832
Employee Expenses	571	592	484
Other expenses	276	241	226
Total expenses	847	833	710
<b>EBITDA</b>	<b>143</b>	<b>144</b>	<b>121</b>
<b>PBT</b>	<b>121</b>	<b>118</b>	<b>88</b>
PAT (after Minority Interest)	76	75	60
EPS	2.79	2.76	2.19
<b>EBITDA %</b>	<b>14.5%</b>	<b>14.7%</b>	<b>14.6%</b>
<b>PBT %</b>	<b>12.2%</b>	<b>12.1%</b>	<b>10.5%</b>
<b>PAT %</b>	<b>7.7%</b>	<b>7.8%</b>	<b>7.2%</b>

☐ **Revenue** – Growth of 2.5% QoQ and 19% YoY.

☐ **Other Expense (Q-o-Q)** – Other expenses increased by 14.6% mainly due to investments in sales and marketing .

☐ **EBITDA Margin** – Growth of 18% year on year; decreased by 20 basis from Q3 FY16 due to increase in other expenses mainly in sales and marketing.



Key ratios (%)	Q4 FY16	Q3 FY16	Q4 FY15	FY16	FY15
Gross margin	35.6%	34.7%	35%	35%	32%
Selling expenses	7.1%	6.1%	6%	6.3%	5%
G&A expenses	14%	13.9%	14.4%	14 %	13%
EBITDA Margin	14.5%	14.7%	14.6%	14.7%	13.2%
PBT margin	12.2%	12.1%	10.5%	11.9%	9.1%
PAT (After Minority Interest)	7.7%	7.8%	7.2%	7.6%	6.1%
EPS (Rs.)	2.79	2.76	2.19	10.51	7.69

Particulars (Rs. million)	31-Mar-16	31-Mar-15*
Net Worth	1,577	1,253
Total debt	273	264
- Term loan	-	15
- Working Capital	273	249
Capital Employed	1,577	1,268
Trade payables	183	117
Fixed assets (Net of Depreciation)	224	248
Cash and cash equivalents	335	264
Trade receivables	842	606

\* Figures of the previous period have been regrouped / recast wherever necessary to make them comparable with those of the current period.

Revenue By Geography (%)	Q4 FY16	Q3 FY16	Q4 FY15	FY16	FY15
Americas	32.8%	33.9%	38.1%	34.9%	39.7%
Europe	53.7%	52.7%	45.7%	50.6%	45.3%
APAC	13.5%	13.4%	16.2%	14.5%	15%

Revenue By Industry (%)	Q4 FY16	Q3 FY16	Q4 FY15	FY16	FY15
Aerospace	51%	52%	52%	51%	49%
Heavy Engineering	37%	37%	33%	37%	36%
Automotive and Industrial Products	7.5%	7%	10%	8%	10%
Renewable Energy	4.5%	4%	5%	4%	5%

Revenue by Geography has been regrouped as per customer geography

Utilization	FY16	FY15
Onshore	91%	85%
Offshore	65%	64%
Blended	71%	70%

Revenue by Delivery Location	FY16	FY15
Onshore	54%	56%
Offshore	46%	44%

Revenue by Project type	FY16	FY15
Fixed Price	36%	28%
Time and Material	64%	72%

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.

Headquartered at 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.

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# Annexures

Key Terms	Explanation
EBITDA 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
Offshore	Delivery from India
Onshore	Delivery from location Outside India



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**Thank You**