



Q2-FY16 RESULTS

AXISCADES Engineering Technologies Limited
(formerly Axis-IT&T Limited)

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.

CEO's Message

Q2 FY16 Highlights

Financials

Update on Merger

Commenting on the Q2 FY16 performance, Mr. Valmeekanathan S, CEO, AXISCADES Engineering Technologies said, *"Our efforts over the last one year towards creating a niche engineering services company with best-in-class systems and processes are bearing fruit and are seeing some traction in our growth trajectory.*

The inauguration of the new Engineering Offshore Development Centre in Hyderabad, for Siemens Wind Power, is another step towards achieving our objective of moving up the customer value chain.

We are excited about the prospects going forward. Our deal pipeline continues to be robust. We are confident that the measures we are undertaking will drive better predictability in the organization, increase quality of revenue and help drive above industry growth."

Financial Highlights Q2 16

- ❑ Operating Revenue up 11 % Q-o-Q and 21 % Y-o-Y to Rs. 957 million
- ❑ EBITDA at Rs. 139 million, up 8% Q-o-Q, up 39% Y-o-Y.
- ❑ Earning Per share at Rs. 2.68, up Rs 0.40 Q-o-Q, up Rs. 1.09 Y-o-Y

Q2 FY16 Highlights

- ❑ Net addition of 74 employees during the quarter.
- ❑ Strong growth led by Heavy Engineering and Aerospace verticals
- ❑ EBITDA margins maintained at 14.5% during Q2 FY16, despite wage hike and new additions in Q2.

Other Highlights

- ❑ Inaugurated new Engineering Offshore Development Centre, for Siemens Wind Power, in Hyderabad
- ❑ Addition of 3 new global clients in Aerospace
- ❑ Added 2 key members to the leadership Team; Head of Sales based out of US and Director of Business Development & Strategy based out of Paris.

Particulars	Q2 16	Q1 16	Q2 15
<i>Revenue from operations (\$*M)</i>	\$ 14.5	\$ 13.6	\$ 13.0
Income statement in Million Rs			
<i>Revenue from operations</i>	942	857	791
<i>Other Operating income</i>	16	4	3
Total Operating Revenue	957	861	794
<i>Employee Expenses</i>	599	519	515
<i>Other expenses</i>	219	213	179
Total expenses	818	732	694
EBITDA	139	129	100
EBITDA %	14.5%	15.0%	12.6%
<i>Other Income</i>	3	3	4
<i>Depreciation</i>	25	26	18
<i>Finance cost</i>	5	4	4
<i>Exceptional items</i>	5	-	20
PBT	107	101	62
<i>Tax</i>	33	39	19
<i>Minority Interest</i>	1	1	1
PAT after Minority Interest	73	62	42
PAT %	7.6%	7.2%	5.3%

Q2 FY16 Variance :-

- ❑ **Revenue (Q-o-Q)** – Strong growth led by Heavy Engineering and Aerospace verticals
- ❑ **Employee Expenses (Q-o-Q)** - Increased by 15% in Q2 16 due to wage hike and New hiring.
- ❑ **Exceptional Items** – In Q2 FY16, pertain to expenses related to proposed mergers with India Aero Ventures Private Ltd (Parent company of AXISCADES Aerospace & Technologies Ltd); in Q2 FY15 exceptional items pertains to stamp duty charges.

Key ratios (%)	Q2 FY16	Q1 FY16	Q2 FY15
Gross margin	34.5%	35%	32.6%
Selling expenses	6%	6%	5%
G&A expenses	14%	14%	15%
EBITDA margin	14.5%	15.0%	12.6%
PBT margin	11.2%	11.8%	7.8%
PAT (After Minority Interest)	7.6%	7.2%	5.3%
Basic EPS (Rs.)	2.68	2.28	1.59

Particulars (Rs. million)	30-Sep-15	31-Mar-15*
Net Worth	1,409	1,253
Total debt	292	264
- Term loan	13	15
- Working Capital	279	249
Capital Employed	1422	1268
Trade payables	169	117
Fixed assets	242	248
Cash and cash equivalents	310	264
Trade receivables	879	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 (%)	Q2 FY16	Q1 FY16	Q2 FY15
Americas	36%	37%	43%
Europe	49%	49%	44%
APAC	15%	14%	13%

Revenue By Industry (%)	Q2 FY16	Q1 FY16	Q2 FY15
Aerospace	49%	52%	46%
Heavy Engineering	39%	35%	39%
Automotive and Industrial Products	8%	9%	10%
Renewable Energy	4%	4%	5%

Revenue by Geography has been regrouped as per customer geography

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.

Based in 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

The Board of Directors of ACETL at its meeting held on 14 August 2015, has approved the acquisition of AXISCADES Aerospace & Technologies Private Limited (“ACATL”), an aerospace, defence and homeland security technologies company by way of a Scheme of Amalgamation of India Aviation Training Institute Private Limited (“IAT”) with AXISCADES Engineering Technologies Limited (“ACETL”). ACATL is 100% subsidiary of IAT. Shareholders of IAT (holding company of ACATL) will receive 10 (ten) shares in ACETL for every 45 (forty five) shares held by them in IAT. The transaction is proposed to be completed via a Scheme of Amalgamation. The appointed date of the Scheme is 1 April 2016 and the Scheme is subject to the requisite approval of the shareholders and creditors of ACETL and IAT, the Honorable High Court and the permission and approval of any other statutory or regulatory authorities, as applicable.

Current Status

The Company has filed the draft Scheme of Amalgamation with the Stock Exchanges under clause 24(f) of the Listing Agreement on 3 September 2015. No complaints with this respect have been received from any stakeholder during the specified period and the report as on 13 October 2015 has been submitted to that effect with the Stock Exchanges.

Key Terms	Explanation
EBITDA, EBITDA Margin	Earning before Interest and taxes is calculated from Clause 41, 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 clause 41.
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



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Inspired Solutions. By Design

Thank You