



**AXISCADES**

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# Q2 FY17 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

Key Highlights – Q2 FY7

Financials

Annexures

Commenting on the Q2 FY17 performance, Mr. Sudhakar Gande, Executive Vice Chairman, AXISCADES Engineering Technologies Ltd., *"The revenue in Q2FY17 was impacted owing to developments in one of the key customers. However we see signs of performance uptick in coming quarters.*

*We continue to invest in acquiring high end technical capabilities to address forthcoming requirements in Aerospace, Defense and in emerging areas like Cyber Security, etc. Additionally we are also expanding service offerings which will enable us to be of more relevance to our customers in making their products better and in their digital journey."*

## Financial Highlights Q2 FY17

- ❑ Total Income down 5.6% Q-o-Q and 2.2% Y-o-Y to Rs. 937 million
  - ✓ Impacted by revenue decline particularly in large Heavy Engineering clients.
- ❑ EBITDA at Rs. 80 million; EBITDA margin at 8.5%
  - ✓ Impacted primarily on account of lower revenue base, offsetting benefits of reduction in outsourcing expense and other expenses
- ❑ Earning per share at Rs. 1.26

## Business Highlights

- ❑ Added 5 new customers in the quarter, 2 in India and 3 in North America.
- ❑ Continued focus on efficiency improvements.
- ❑ Investments made over the last year in building new competencies, to translate into topline growth in the coming quarters

## Financial Performance

	Q2 17	Q1 17	Q2 16
Revenue from operations	\$14.0	\$14.7	\$14.5
In Million Rs			
Revenue from operations	936	986	942
<b>Total Income</b>	<b>937</b>	<b>992</b>	<b>957</b>
Employee Expenses	613	609	599
Project Consultancy	92	114	59
Other expenses	152	169	160
Total expenses	857	892	818
<b>EBITDA</b>	<b>80</b>	<b>100</b>	<b>139</b>
<b>PBT</b>	<b>63</b>	<b>79</b>	<b>107</b>
PAT	34	46	73
EPS (Rs)	1.26	1.69	2.68
<b>EBITDA %</b>	<b>8.5%</b>	<b>10.1%</b>	<b>14.5%</b>
PBT %	6.7%	8.0%	11.3%
PAT %	3.7%	4.6%	7.6%

## Key Drivers

- ❑ **Revenue** : \$14M down by 4.8% QoQ and 3.4% YoY, As a result of lower revenue from heavy engineering clients.
- ❑ **Project Consultancy** : Decreased by 19%
- ❑ **EBITDA Margin** – Decreased by 1.6% QoQ due to lower revenue and 6% YoY due to lower revenue and increase in project consultancy cost.

## Financial Performance

	H1 17	H1 16
Revenue from operations	28.7	28.1
In Million Rs		
Revenue from operations	1,922	1,799
<b>Total Income</b>	<b>1,929</b>	<b>1,819</b>
Employee Expenses	1,222	1,119
Project Consultancy	206	110
Other expenses	269	322
Total expenses	1,749	1551
<b>EBITDA</b>	<b>180</b>	<b>268</b>
<b>PBT</b>	<b>142</b>	<b>208</b>
PAT	80	135
EPS (Rs)	2.95	4.96
<b>EBITDA %</b>	<b>9.3%</b>	<b>14.7%</b>
PBT %	7.4%	11.4%
PAT %	4.2%	7.4%

## Key Drivers

- ❑ **Revenue** : \$ growth of 2.1% YoY led by strong growth in Aerospace vertical, offset by decline in Heavy Engineering.
- ❑ **Project Consultancy** : Expenses incurred to gain competencies and expand service offerings
- ❑ **EBITDA Margin** : Decreased by 5.4% YoY impacted because lower revenue and increase in project consultancy cost.

Key ratios (%)	Q2 FY17	Q1 FY17	Q2 FY16	FY16
Gross margin	30.3%	31.4%	34.5%	35%
Selling expenses	7.0%	6.8%	6%	6.3%
G&A expenses	14.8%	14.5%	14%	14%
Operating Margin	8.5%	10.1%	14.5%	14.7%
PBT margin	6.7%	8%	11.2%	11.9%
PAT (After Minority Interest)	3.7%	4.6%	7.6%	7.6%
Basic EPS (Rs.)	1.26	1.69	2.68	10.51



Particulars (Rs. million)	30-Sep-16	31-Mar-16
Net Worth	1660	1,577
Total debt	167	273
- Term loan	0	0
- Working Capital	167	273
Capital Employed	1660	1,577
Trade payables	224	183
Fixed assets (Net of Depreciation)	196	224
Cash and cash equivalents	302	335
Trade receivables	838	842

Revenue By Geography (%)	Q2 FY17	Q1 FY17	Q2 FY16	FY16
Americas	37%	33%	36%	35%
Europe	52%	54%	49%	51%
APAC	11%	13%	15%	14%

Revenue By Industry (%)	Q2 FY17	Q1 FY17	Q2 FY16	FY16
Aerospace	52.4%	51.4%	48.8%	51%
Heavy Engineering	36.5%	37.4%	38.9%	37%
Automotive and Industrial Products	5.7%	6.4%	8.4%	8%
Renewable Energy	5.4%	4.8%	3.9%	4%

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.

*For further information, please contact:*

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# Annexures

Key Terms	Explanation
Operating 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



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**Thank You**