



AXISCADES
Inspired Solutions. By Design



Q4 FY17 RESULTS

AXISCADES Engineering Technologies 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 – Q4 FY7

Consolidated Financials

Revenue Segmentation

Proforma Financials

Annexures

Note: Consolidated performance for Q3 FY17 & 9M FY17 includes the performance of AXISCADES Aerospace and Technologies, a 100% subsidiary of ACETL. Hence prior period financials are not strictly comparable.

Commenting on the Consolidated FY17 performance, Mr. Sudhakar Gande, Executive Vice Chairman, AXISCADES Engineering Technologies Ltd., "The previous fiscal was challenging for us on multiple fronts.

We continue to invest in developing & acquiring competencies, diversify into different verticals with an objective to create a world class Company. The proposed JV with one of the world's leading engineering company is a step in this direction.

FY18 looks promising for us, which will start reflecting in the coming quarters."

- ❑ AXISCADES won a dedicated Offshore Development Centre contract from Airbus with expanded scope despite tough competition from Indian and European suppliers.
- ❑ Received order from Ministry of Defence for Aircraft Recognition and Training Simulation System against international competition.
- ❑ Selected global preferred supplier by a global OEM in France for Automated Testing Equipment
- ❑ Added 7 new clients in FY17 in engineering services, which have potential to grow into \$ 2 Mn + accounts.
- ❑ Completed the 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.
- ❑ Started a subsidiary in Germany to meet the requirements of European Defense and Space sector
- ❑ Strengthened Embedded and Electronics solutions offering with addition of senior industry Technical Heads to drive and grow the business across verticals.
- ❑ Signed MoU with leading European technology companies
 - Drone Volt and E2M Technologies, to address the growing market for new age technologies in the Indian defense and aerospace sector.
 - Virtual Reality Media, to evaluate opportunities for full flight simulator and to address the requirements for Russian platforms, such as the Dornier 228 aircraft.

Financial Highlights Q4 FY17

- ❑ Consolidated Total Income at INR 1,087 million vs INR 1,097 million in Q3 FY17
 - Engineering Design segment revenue at INR 898 million as compared to INR 907 million last quarter
 - Strategic Technology Solutions segment revenue at INR 189 million vs INR 190 million in Q3 FY17

Business Highlights

- ❑ Added 2 key clients during the quarter
 - One of the largest utility suppliers in the United States
 - One strong brand in the Heavy Engineering space in India
- ❑ Signed MoU with Assystem Engineering and Operation Services SAS (France) for exploring opportunities in the Energy and Nuclear sector
- ❑ Increased traction in our embedded and Medical system practice



AXISCADES

Inspired Solutions. By Design

Consolidated Financials

Financial Performance

	FY 17	FY 16
Revenue from operations (\$ Million)	\$72.1	\$57.4
In Million Rs		
Revenue from operations	4,836	3,754
Other Income	154	39
Total Income	4,990	3,793
Employee Expenses	2,522	2,281
Direct Expenses	670	-
Project Related Expenses	398	287
Other expenses	874	652
Total expenses	4,463	3,219
Operating Margin	528	574
PBT	273	447
PAT (After Minority Interest)	131	286
EPS *	3.48	10.51
Operating Margin %	10.6%	15.1%
PBT %	5.5%	11.9%
PAT % (After Minority Interest)	2.6%	7.5%

*During the year, the Company issued 1,05,69,937 shares to the shareholders of IATPL. Hence, the EPS of FY17 is not fully comparable with that of FY16.

Note: Consolidated performance for the year FY17 includes the performance of AXISCADES Aerospace and Technologies, a 100% subsidiary of ACETL. Hence prior period financials are not strictly comparable.

Variance

Total Income

□ Total income increased by 32%, mainly attributable to the ACATPL merger.

Operating Margin

□ FY17 – Operating Margin excluding impact of the merger stands at 8.0% vis a vis 15.0% in previous year. Decline is attributable to increase in project related expenses to deliver new contracts in new areas and further investments in leadership hiring.

□ FY17 – Operating Margin for Strategic Technology Solutions is at 18.6%.

Financial Performance

	Q4 17	Q3 17	Q4 16
Revenue from operations (\$ Million)	\$16.3	\$16.2	\$14.7
In Million Rs			
Revenue from operations	1,087	1,097	990
Other Income	97	18	10
Total Income	1,184	1,115	999
Employee Expenses	610	633	570
Direct Expenses	94	68	-
Project Related Expenses	107	85	80
Other expenses	255	218	196
Total expenses	1,066	1,004	846
Operating Margin	118	111	153
PBT	62	39	121
PAT (After Minority Interest)	15	20	76
EPS	0.40	0.53	2.79
Operating Margin %	9.9%	9.9%	15.3%
PBT %	5.3%	3.5%	12.2%
PAT % (After Minority Interest)	1.3%	1.8%	7.6%

Variance

Total Income

☐ Revenue in INR terms reduced by 0.9 % QoQ, mainly on account of adverse exchange rate movement in Q4 17

Total Expenses

☐ Total Expenses increased by 6% mainly on account of increase in project outsourcing costs, which is partly offset by reduction in employee expenses.

*During the year, the Company issued 1,05,69,937 shares to the shareholders of IATPL. Hence, the EPS of FY17 is not fully comparable with that of FY16.

Note: Consolidated performance for Q4 FY17 includes the performance of AXISCADES Aerospace and Technologies, a 100% subsidiary of ACETL. Hence Q4 16 financials are not strictly comparable.

(INR Mn)

Particulars	31-Mar-17	31-Dec-16	31-Mar-16
Net Worth	2885	2873	1577
Total debt	820	796	273
- Long term loan	281	329	-
- Working Capital	540	467	273
Trade payables	275	388	183
Fixed assets (Net of Depreciation)	925	878	224
Capital Work-in-progress	253	300	-
Cash and cash equivalents	719	399	335
Trade receivables	844	1,148	842

Note: Consolidated balance sheet as of 31-Mar-17 and as of 31-Dec-16 includes the performance of AXISCADES Aerospace and Technologies, a 100% subsidiary of ACETL. Hence prior period financials are not strictly comparable.

Key ratios (%)	Q4 FY17	Q3 FY17	Q4 FY16	FY17	FY16
Gross margin	33.1%	33.0%	35.6%	33.2%	35.0%
Selling expenses	7.3%	7.5%	7.1%	7.2%	6.3%
G&A expenses	15.9%	15.6%	14.0%	15.4%	14.0%
Operating Margin	9.9%	9.9%	15.3%	10.6%	15.1%
PBT margin	5.3%	3.5%	12.1%	5.5%	11.8%
PAT (After Minority Interest)	1.3%	1.8%	7.6%	2.6%	7.5%
EPS (Rs.)	0.40	0.53	2.79	3.48	10.51

Revenue By Vertical (%)	FY17	FY16	Q4 FY17	Q3 FY17
Engineering Design Services	77.1%	100.0%	82.6%	82.6%
Strategic Technology Solutions	22.9%	0.0%	17.4%	17.4%

Revenue By Industry (%)	FY17	FY16	Q4 FY17	Q3 FY17
Aerospace	38.7%	51.0%	38.1%	41.7%
Heavy Engineering	29.4%	36.7%	33.9%	31.1%
Automotive and Industrial Products	4.6%	7.6%	4.8%	4.8%
Renewable Energy	4.4%	4.7%	5.8%	5.0%
Strategic Tech Solutions	23.0%	NA	17.4%	17.4%

Note: Revenue segment percentages for the year FY17 includes the revenue of AXISCADES Aerospace and Technologies, a 100% subsidiary of ACETL. Hence prior period revenue percentages are not strictly comparable.

(INR Mn)

Particulars	Q4 '17	Q3 '17	Q4 '16	FY 17	FY 16
- ACET	941	932	999	3,813	3,793
- ACAT	249	189	603	1,201	1,668
- Elimination	(6)	(6)	(3)	(23)	(3)
Total Income	1,184	1,115	1,599	4,990	5,458
- ACET	881	864	846	3,485	3,219
- ACAT	185	140	474	977	1,358
Total Cost	1,066	1,004	1,320	4,463	4,577
- ACET	54	62	150	304	570
- ACAT	64	49	129	224	310
Operating Margins	118	111	279	528	880
- ACET	5.8%	6.7%	15.0%	8.0%	15.0%
- ACAT	25.5%	25.9%	21.4%	18.6%	18.6%
Operating Margins %	9.9%	9.9%	17.4%	10.6%	16.1%

- Total Income from operations as mentioned in Financial statement as per Regulation 33 of the Listing Regulations
- Figures of the previous periods have been regrouped / reclassified wherever necessary, to conform to current period's classification.

Utilization	FY17	FY16
Onshore	80%	91%
Offshore	60%	65%
Blended	65%	71%

Revenue by Delivery Location	FY17	FY16
Onshore	56%	54%
Offshore	44%	46%

Revenue by Project type	FY17	FY16
Fixed Price	36%	36%
Time and Material	64%	64%

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. Recently AXICADES has completed acquisition of AXISCADES Aerospace and Technologies Private Limited (ACATPL).

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:

Kaushik Sarkar

AXISCADES Engineering Technologies Ltd.
Kirloskar Business Park, Block 'C', 2nd Floor, Hebbal,
Bangalore – 560 024, India
Tel: +91 80 4193 9000
Email : investors.relations@axiscades.com

Gavin Desa / Varun Divadkar

CDR, India
Floor 2, Motlibai Wadia Bldg, Horniman Circle, Fort,
Mumbai 400 001
Tel: +91 22 6645 1237 / 9763702204
Email: gavin@cdr-india.com / varun@cdr-india.com



Annexures

Key Terms	Explanation
Operating Margin	Earning before Interest and taxes is calculated from Financial statement as per Regulation 33 of the Listing Regulations.
Total Income	Revenue is Total Income from operations as mentioned in Financial statement as per Regulation 33 of the Listing Regulations.
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



AXISCADES
Inspired Solutions. By Design

Thank You