



Robust Q4 & Strong FY20 Performance Results Release

Key Highlights

- *FY20 PAT at INR 303 Mn*
- *New customer additions, expanding relationships and focus on execution drive strong 10.7% revenue improvement.*
- *Emphasis on cost optimization and efficiencies further drive profitable growth*
- *EBITDA for FY20 at INR 993 Mn*
- *Resilient business model, well entrenched relationships, proven capabilities and strong FY20 performance offer comfort to navigate near to medium term challenges*

Bengaluru July 1, 2020

AXISCADES, a technology Company focusing on Product Engineering Solutions, serving Global OEMs announced its Q4 and FY20 financial results. The Company delivered significant improvement in Revenue, EBITDA Margins and Net Profits on back of increased and new engagements from customers. This stellar performance is a testament to the company's approach from beginning of the year to be agile, focussed on execution and strengthening customer connects in the segments it operates in.

I. Performance Highlights:

Q4 FY20 Vs Q4 FY19

- **Operating Revenue Growth:** 11.9% in USD terms & 18.4% in INR terms
- **EBITDA:** 2.6x growth to INR 346 Mn; Highest ever EBITDA margins of 17.8%
- **PAT:** 21x growth to INR 164 Mn; PAT Margins at 8.5%

FY20 Vs FY19

- **Operating Revenue Growth:** 7.3% in USD terms & 10.7% in INR terms
- **Costs remained flat** in FY20 at INR 6,422 Mn as compared to INR 6,391 Mn in FY19
- **EBITDA:** 4.7x growth to INR 993 Mn; **EBITDA margins of 14.6%**
- **Cash Generated from Operations:** 1.75x growth to INR 649 Mn
- **PAT:** Multi-fold growth in PAT to INR 303 Mn
- **EPS for FY20 is INR 7.87**

II. Business Updates

- Won two multiyear, multi-million contracts
- Received additional orders from a European Systems OEM
- Expanded relationship with prestigious European systems OEM to USD 10 Mn.
- Added 3 clients in the Digital domain
- Added 9 new customers during the year mostly in heavy engineering and in automotive domain. Some of the customers have the potential to translate into USD 1 Mn+ accounts in the near future.

Commenting on the results and outlook, Mr. David Bradley, Chairman of AXISCADES said: “Our financial performance demonstrates the strength of our business model and our financial discipline. We are determined to expand our footprint in our core markets.

COVID-19 presented us an operational challenge of scale and complexity. We switched our infrastructure model and recalibrated the project management methodology, to protect our employees as a priority. All in all, we managed to not only maintain all essential services for our customers, but also continue the journey in their growth and transformation programs. One of our long standing customer have reached out to us to express their appreciation, and gratitude for how our teams went above and beyond to help them keep their businesses running under very difficult circumstances. I want to thank all the AXISCADES employees who showed immense grit, resolve and ingenuity in the true spirit of AXISCADES, to make this possible”

III. Operations By Region.

Europe (41% of Group revenues) continues its growth trajectory with revenue increasing by 29% in FY20 driven largely by strategic technology solutions.

North America revenues (42% of Group revenues) increased by 3% in FY20 on back of new customer wins in heavy engineering sector.

Finally, **Asia-Pacific** region (contributing 17% of Group revenues) declined by 16.6% largely owing to lockdown imposed in the last week of March'20 due to which product shipments could not take place.

IV. Operations By Business

Strategic Technology Solutions – The security threats have intensified, requiring governments worldwide to continue increasing their defence budgets. In this context AXISCADES had secured orders of INR 1,400 Mn during FY19. During the year ended March 31, 2020 revenues registering a growth of 21.9%

Aerospace – Despite the turbulence in the sector, AXISCADES registered a growth of 10.7% during FY20 compared to FY19 in this segment during the year ended March 31, 2020.

Heavy Engineering – During FY20 this segment grew by 15.5% over the previous year largely on account of new customer acquisitions.

V. COVID 19 Update – Proactively Navigating COVID & Beyond

AXISCADES responded swiftly to address the COVID-19 challenges. AXISCADES's priority is the health and safety of its employees and the continuity of services to its clients. Therefore, the Group took protection measures even before the lockdown decisions were made. AXISCADES deployed work-from-home across its activities worldwide and thus quickly implemented the business continuity plans for its clients, that we prepared well in advance. The Group has demonstrated its agility by being able to continue its services without disruption for our clients.

VI. Outlook

Despite the COVID-19 challenges, the Group is well positioned, especially with its capabilities, to assure the continuity all the services requested by its clients. AXISCADES's team has optimized its operations during this period and intends to take advantage of the new opportunities that will emerge. AXISCADES will tide over the challenging times owing to

- An active management of the cost base, using all available levers;
- An agile operating model based on a decentralized delivery structure;
- A diversified client base which assures the strength of the Group;
- A portfolio of services well suited to the current context with dedicated offers to help its clients cope with the current challenges.

- Recent initiatives of Govt of India encourages indigenisation and local procurement upto a certain ticket size. This will be beneficial for companies like us in the medium to long term.
- Owing to our long standing relationships with global leading OEMs, the business is expected to bounce back in the medium term.

VII. Additions to Board of Directors

AXISCADES has appointed Mr. David Walker as Non-Executive Director of the Company effective June 29, 2020 for a term of three years, subject to approval of shareholders. The appointment is in line with the Group's ambition to further the internationalization of its composition, deepen its sector expertise and enrich the diversity of its profiles.

David Walker is an American citizen. He is presently President & CEO of Astra Consulting, an aerospace consulting group. Previously he was Senior Vice President/Chief Technology Officer & Business Development for Spirit AeroSystems, responsible for leading the Spirit technical team and working with customers worldwide. In addition, he was also the Managing Director (Chairman) for the Spirit Progress tech Joint Venture in Russia. Prior to this he worked with Vought Aircraft Industries.

Mr. Walker will help the company to tap into the world's largest aerospace market, i.e. US markets in addition to his role of contributing to the development of Company's strategy as a Board Member.

VIII. Change of Company Name

It is proposed to change the name of the Company from AXISCADES Engineering Technologies Limited to **AXISCADES Technologies Limited**, subject to the approval of the Ministry of Corporate Affairs, Govt of India and approval of the shareholders.

The change of the Name reflects the identity of AXISCADES at the forefront of technological innovation and at the service of our clients' ambitions in order to build a heritage that will serve future generations

About AXISCADES Engineering Technologies

AXISCADES is leading technology solutions company focussing on global ER&D sector and strategic technology markets. The Group is at the cutting edge of R&D to address the futuristic needs of its clients in the evolving world of digital, innovation and technology. Building on its 2,300 engineers worldwide and deep industry-specific expertise, AXISCADES enables organizations to materialize their business ambitions through a range of innovative services from strategy to operations. Headquartered in Bengaluru, AXISCADES has 14 engineering centres worldwide including North America, Europe and Asia.

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