

January 20, 2023

BSE Ltd. P. J. Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd. 'Exchange Plaza', C-1, Block G Bandra Kurla Complex Bandra , Mumbai 400 051
Script Code: 517536	Script Symbol: ONWARDTEC

Sub: Submission of Investor Presentation on Un-Audited Results for the quarter ended December 31, 2022.

In continuation of our letter dated January 20, 2023 conveying Outcome of Board Meeting, please find attached Investor's Presentation on Un-Audited Results for the quarter ended December 31, 2022.

Request you to take the same on record.

Thanking you,

For Onward Technologies Limited

Shama Pawar
Company Secretary
M. No. A28393



Q3/9M-FY23 EARNINGS PRESENTATION

January 2023

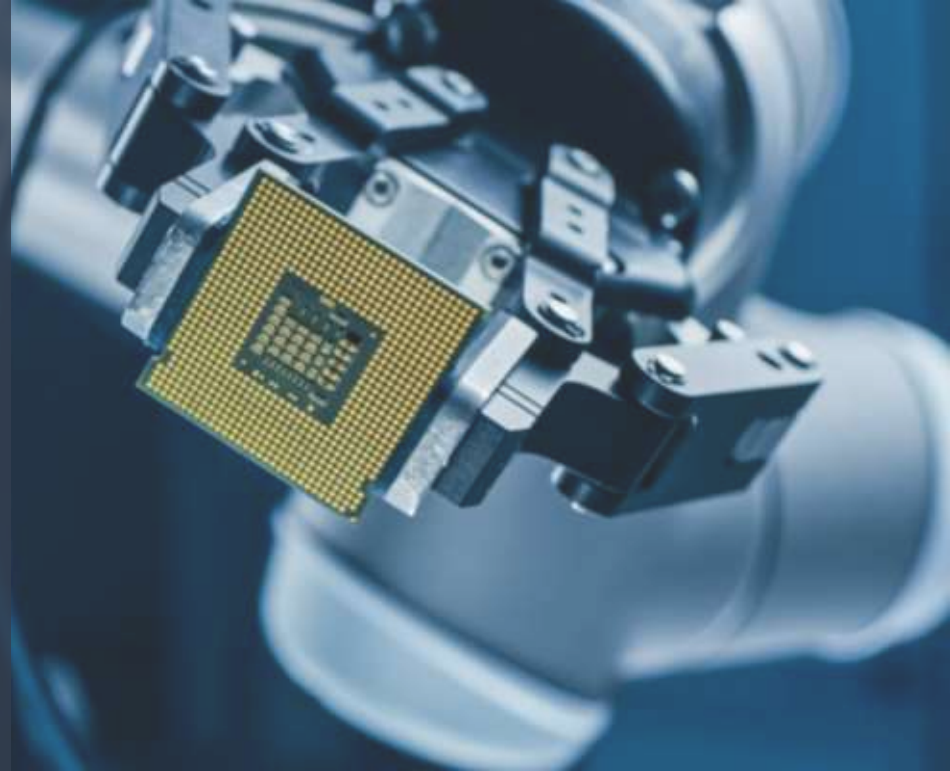


WHO WE ARE

Onward Technologies

is a software outsourcing company specializing in **digital** and **ER&D** services.

We help global OEMs improve speed to market, accelerate innovation, and maximize returns on their R&D investments.



Transformation from legacy to the NEW: Engineering, Research & Development and Digital services

Who we are


- 
- A diverse team of around 2974 employees
 - 15 offices across 6 countries in USA, EU+UK, India
 - Focused on enhancing clients' competitiveness, total returns on R&D investments & time to market

Global 2000 customers

- A technology-partner positioned as an extended R&D team for large companies
- Top 25 clients added 80% of revenue in 9M FY 2023
- 15 clients with annual billing run-rate of \$1M or more



Geared for double-digit growth

- 
- Strong customer base, relationships to fuel double digit growth in top-line
 - Margin expansion through India advantage
 - Delivered 28% y-o-y revenue growth in FY22, 50% in Q3 FY2023

Strong balance sheet

- Net debt-free, sound balance sheet & cash reserves
- 6-year track-record of consistent dividend payout
- Private equity investment by Infinity Direct Holdings



Digital play across all business lines

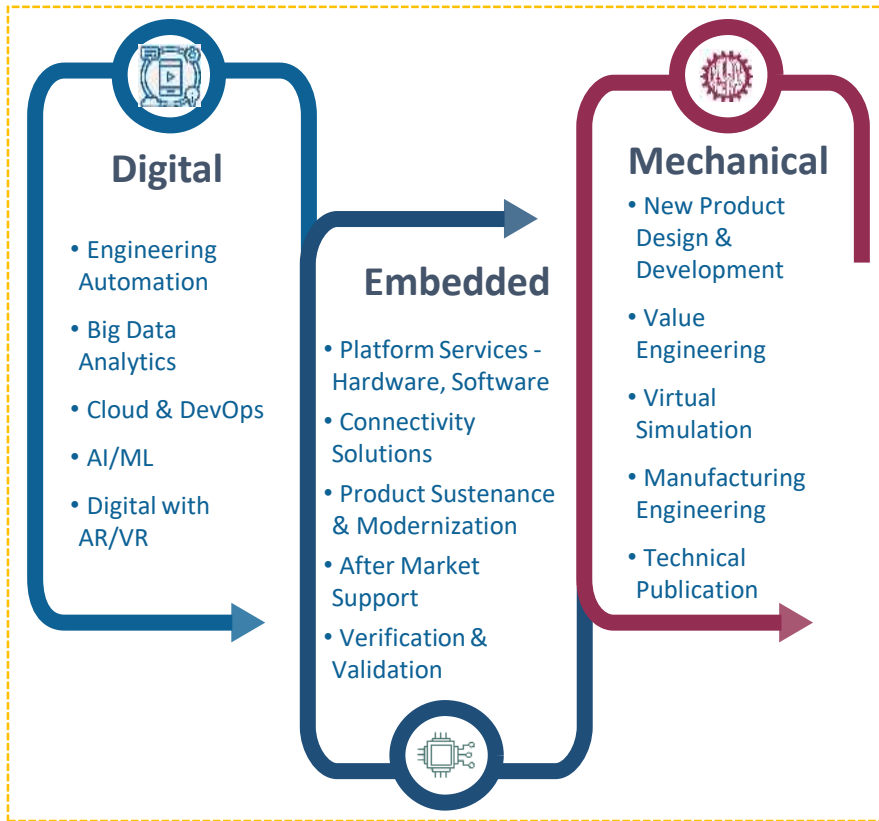
- Digital Engineering & Outsourcing
- Electronics & Embedded engineering services
- Mechanical Engineering Services

Focused industry verticals

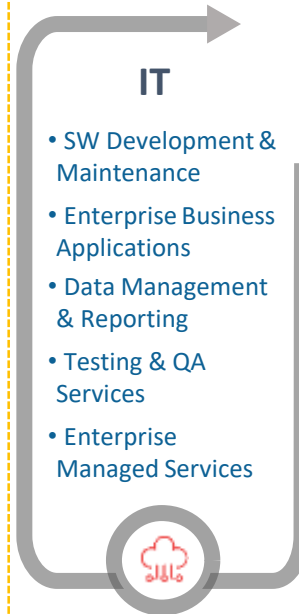
- Industrial Equipment & Heavy Machine
- Transportation & Mobility
- Diversification & investment in Healthcare & MedTech



Lines of business driving future growth



Lines of business



Focus verticals



Lines of business driving future growth

Consistent growth, steady offshore leverage, multi-year client engagements

Blended growth rate

Growth in revenue from:

1) Digital Engineering
& ER&D services

+

2) Stable income from legacy
business

Blended gross margin

Reflects cost from:

1) Digital Engineering
& ER&D services

+

2) Legacy business

+

3) New business building blocks



Multi-year client
engagements



Consistent industry-
leading growth



Steady growth in
offshore leverage

Business building costs

International offices, Sales team expansion in USA & EU+UK, SME hiring to strengthen Delivery

Investments in talent to address future client demand

Proactive hiring engineering graduates (TAP) from top-tier institutes across the country

Q3/9M-FY23 FINANCIAL OVERVIEW



Q3/9M-FY23 Performance Highlights



Q3-FY23 Consolidated Financial Performance

INR 1,158 Mn Revenue from Operations	INR 66 Mn EBITDA	5.70% EBITDA Margins
INR 25 Mn PAT	2.16% PAT Margins	INR 1.08/Share Diluted EPS

Q3-FY23 Standalone Financial Performance

INR 813 Mn Revenue from Operations	INR 65 Mn EBITDA	8.00% EBITDA Margins
INR 35 Mn PAT	4.31% PAT Margins	INR 1.55/Share Diluted EPS

9M-FY23 Consolidated Financial Performance

INR 3,196 Mn Revenue from Operations	INR 132 Mn EBITDA	4.13% EBITDA Margins
INR 42 Mn PAT	1.31% PAT Margins	INR 1.87/Share Diluted EPS

9M-FY23 Standalone Financial Performance

INR 2,271 Mn Revenue from Operations	INR 145 Mn EBITDA	6.38% EBITDA Margins
INR 76 Mn PAT	3.35% PAT Margins	INR 3.34/Share Diluted EPS

Q3/9M-FY23 Operational Highlights

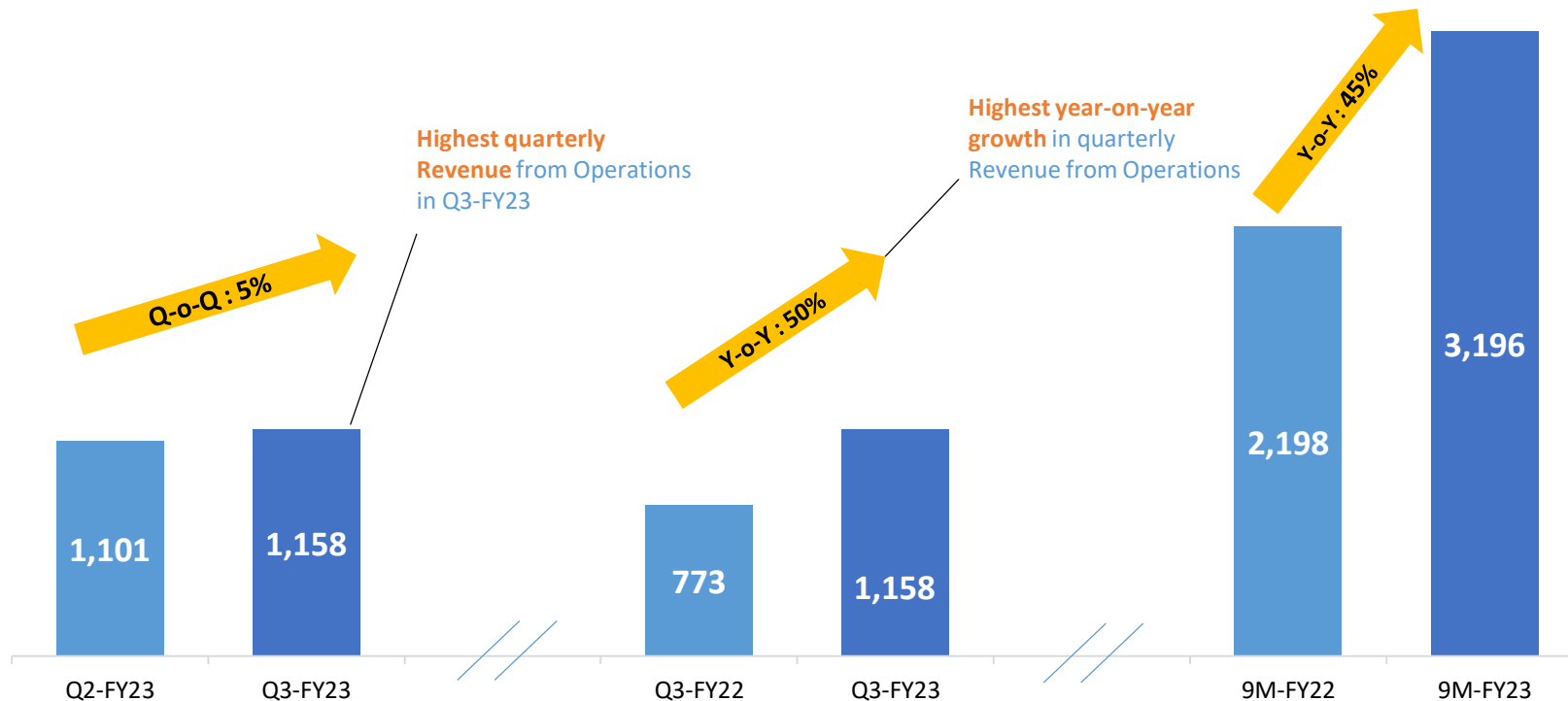


- Q3 FY23 revenue grew by 50% Y-o-Y and 5% Q-o-Q, while revenue for 9M-FY23 grew by 45% Y-o-Y.
- Revenue from focus verticals of Industrial Equipment & Heavy Machinery contributed 55% and Transportation & Mobility, contributed 30% of 9M-FY23 Revenue.
- Digital segment saw continued traction. Revenue contribution of Digital services grew by 400 basis points to 16% for 9M-FY23.
- Focus on top accounts: 15 clients now deliver \$1 Mn or more in revenues on an annualized basis.
- Top-25 contributed to 80% of total revenue from operations for 9M-FY23.
- Global headcount stood at 2,973 employees.

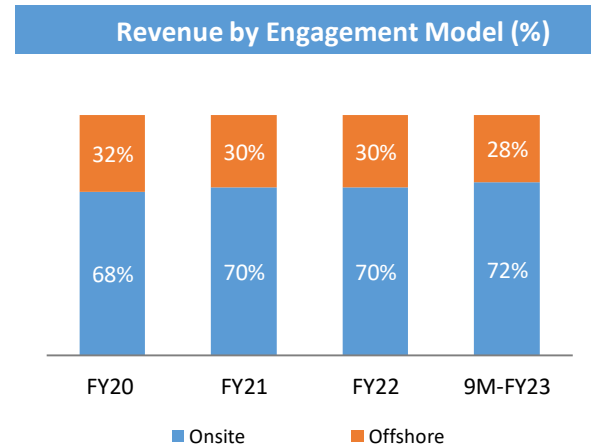
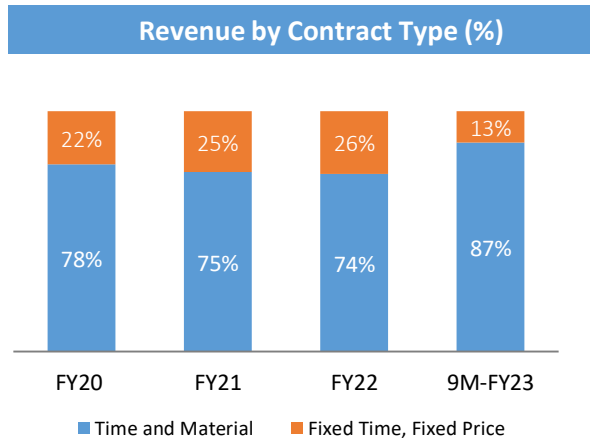
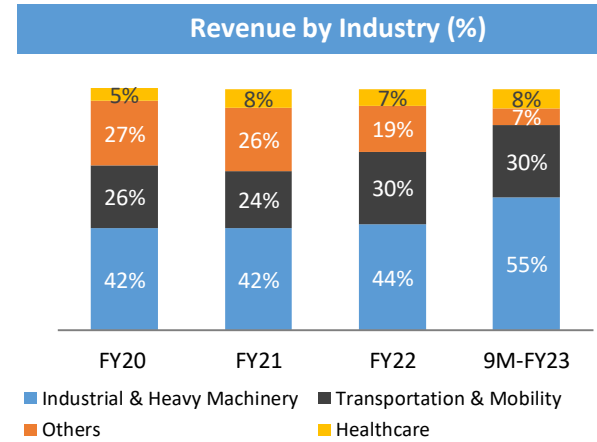
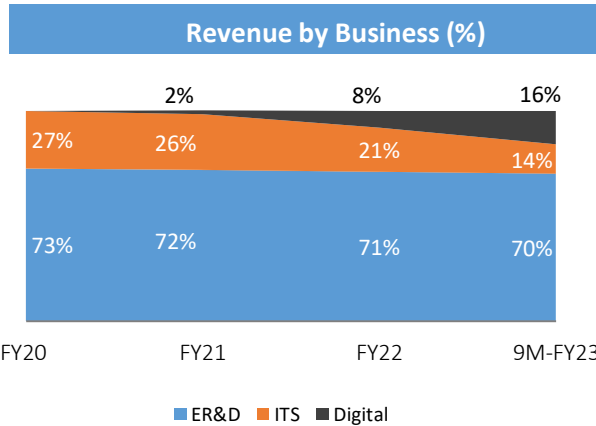
Commenting on the performance of the company, Jigar Mehta – Managing Director said:

“Our team was able to deliver yet another record quarter with excellent growth in both topline and bottom-line. We continue to see robust demand from our focus verticals—Industrial Equipment, Heavy Machinery, Transportation, Mobility and Healthcare verticals. Both our international and India businesses have a strong growth visibility for the next few quarters. We will continue to invest in both these markets across Digital and ER&D capabilities to meet the customer demand”.

Revenue from Operations (INR Mn)



Revenue Metrics (Consolidated)



Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q3-FY23	Q3-FY22	Y-O-Y	Q2-FY23	Q-O-Q
Operational Income	1,158	773	49.8%	1,101	5.2%
Total Expenses	1,092	676	61.5%	1,069	2.2%
EBITDA	66	97	(32.0)%	32	NA
EBITDA Margins (%)	5.70%	12.55%	(685) Bps	2.91%	279 Bps
Other Income	11	3	NA	10	10.0%
Depreciation	34	25	36.0%	33	3.0%
Finance Costs	4	2	100.0%	4	0.0%
PBT	39	73	(46.6)%	5	NA
Tax	14	23	(39.1)%	(1)	NA
Profit After tax	25	50	(50.0)%	6	NA
PAT Margins (%)	2.16%	6.47%	(431) Bps	0.54%	162 Bps
Other Comprehensive Income	(8)	(0)	NA	1	NA
Total Comprehensive Income	16	50	(68.0)%	7	NA
Diluted EPS (INR)	1.08	2.52	(57.1)%	0.25	NA

YTD Consolidated Financial Performance



Particulars (INR Mn)	9M-FY23	9M-FY22	Y-O-Y
Operational Income	3,196	2,198	45.4%
Total Expenses	3,064	2,047	49.7%
EBITDA	132	151	(12.6)%
EBITDA Margins (%)	4.13%	6.87%	(274) Bps
Other Income	37	199	(81.4)%
Depreciation	97	74	31.1%
Finance Costs	13	7	85.7%
PBT	59	269	(78.1)%
Tax	17	64	(73.4)%
Profit After tax	42	205	(79.5)%
PAT Margins (%)	1.31%	9.33%	(802) Bps
Other Comprehensive Income	8	0	NA
Total Comprehensive Income	50	205	(75.6)%
Diluted EPS (INR)	1.87	11.13	(83.2)%

Quarterly Standalone Financial Performance

Particulars (INR Mn)	Q3-FY23	Q3-FY22	Y-O-Y	Q2-FY23	Q-O-Q
Operational Income	813	596	36.4%	768	5.9%
Total Expenses	748	540	38.5%	735	1.8%
EBITDA	65	56	16.1%	33	97.0%
EBITDA Margins (%)	8.00%	9.40%	(140) Bps	4.30%	370 Bps
Other Income	20	8	NA	20	0.0%
Depreciation	33	22	50.0%	32	3.1%
Finance Costs	4	3	33.3%	4	0.0%
PBT	48	39	23.1%	17	NA
Tax	13	10	30.0%	5	NA
Profit After tax	35	29	20.7%	12	NA
PAT Margins (%)	4.31%	4.87%	(56) Bps	1.56%	275 Bps
Other Comprehensive Income	(3)	(0)	NA	(4)	25.0%
Total Comprehensive Income	32	29	10.3%	8	NA
Diluted EPS (INR)	1.55	1.48	4.7%	0.53	NA

YTD Standalone Financial Performance

Particulars (INR Mn)	9M-FY23	9M-FY22	Y-O-Y
Operational Income	2,271	1,679	35.3%
Total Expenses	2,126	1,570	35.4%
EBITDA	145	109	33.0%
EBITDA Margins (%)	6.38%	6.49%	(11) Bps
Other Income	63	37	70.3%
Depreciation	95	66	43.9%
Finance Costs	13	7	85.7%
PBT	100	73	37.0%
Tax	24	19	26.3%
Profit After tax	76	54	40.7%
PAT Margins (%)	3.35%	3.22%	13 Bps
Other Comprehensive Income	(8)	(1)	NA
Total Comprehensive Income	68	53	28.3%
Diluted EPS (INR)	3.34	2.95	13.2%

HISTORICAL FINANCIAL OVERVIEW



Historical Consolidated Profit & Loss

Particulars (INR Mn)	FY20*	FY21*	FY22	9M-FY23
Operational Income	2,715	2,404	3,073	3,196
Total Expenses	2,482	2,230	2,859	3,064
EBITDA	233	172	214	132
EBITDA Margins (%)	8.58%	7.15%	6.96%	4.13%
Other Income	11	53	215	37
Depreciation	113	104	101	97
Finance Costs	35	23	10	13
PBT	96	98	318	59
Tax	34	25	81	17
Profit After tax	62	73	237	42
PAT Margins (%)	2.28%	3.04%	7.71%	1.31%
Other Comprehensive Income	19	(3)	(7)	8
Total Comprehensive Income	81	70	230	50
Diluted EPS (INR)	3.76	4.35	12.17	1.87

* FY20 and FY21 numbers have been restated after inclusion of Onward eServices Ltd, a wholly owned subsidiary, which has been merged with Onward Technologies Ltd as on March 25, 2021.

Historical Consolidated Balance Sheet

Particulars (INR Mn)	FY21	FY22	H1-FY23	Particulars (INR Mn)	FY21	FY22	H1-FY23
ASSETS				EQUITY AND LIABILITIES			
Non-Current Assets				Equity			
Property, Plant & Equipment	171	366	377	Share Capital	163	220	221
Intangible assets	39	26	34	Other Equity	581	1,412	1,399
Intangible assets under development	1	-	-	Total Equity	744	1,632	1,620
Right of use asset	88	175	174	Non Current Liabilities			
Other Financial Assets	31	28	30	(i) Borrowings	6	5	4
Deferred tax assets	33	28	28	(ii) Lease liabilities	55	109	98
Income tax assets (net)	111	179	199	Provisions	48	34	33
Other non-current assets	-	11	10	Deferred tax liabilities	-	32	22
Sub Total Non Current Assets	474	813	852	Sub Total Non Current Liabilities	109	180	157
Current Assets				Current Liabilities			
Financial Assets				(i) Borrowings	146	1	1
(i) Investment	1	-	-	(ii) Trade Payables	72	115	90
(ii) Trade Receivables	408	666	959	(iii) Other Financial Liabilities	151	203	226
(iii) Cash & cash equivalents	285	495	334	(iv) Lease Liabilities	43	72	87
(iv) Bank balance other than above	9	109	7	Provisions	14	15	17
(v) Contract assets	134	119	-	Contract liabilities	30	16	-
(vi) Other financial assets	1	4	3	Other current liabilities	67	60	60
Other Current Assets	64	88	104	Sub Total Current Liabilities	523	482	482
Sub Total Current Assets	902	1,481	1,407	Sub Total Liabilities	632	662	639
TOTAL ASSETS	1,376	2,294	2,259	TOTAL EQUITY AND LIABILITIES	1,376	2,294	2,259

Historical Standalone Profit & Loss

Particulars (INR Mn)	FY20*	FY21*	FY22	9M-FY23
Operational Income	1,806	1,727	2,344	2,271
Total Expenses	1,660	1,531	2,168	2,126
EBITDA	145	196	176	145
EBITDA Margins (%)	8.03%	11.35%	7.51%	6.38%
Other Income	65	85	56	63
Depreciation	102	93	92	95
Finance Costs	33	21	10	13
PBT	75	167	130	100
Tax	21	40	37	24
Profit After tax	54	127	93	76
PAT Margins (%)	2.99%	7.35%	3.97%	3.35%
Other Comprehensive Income	3	1	(5)	(8)
Total Comprehensive Income	57	128	88	68
Diluted EPS (INR)	3.26	7.50	4.79	3.34

* FY20 and FY21 numbers have been restated after inclusion of Onward eServices Ltd, a wholly owned subsidiary, which has been merged with Onward Technologies Ltd as on March 25, 2021.

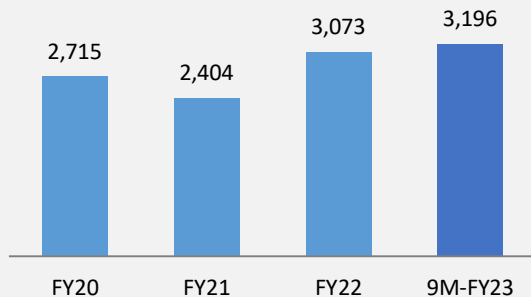
Historical Standalone Balance Sheet

Particulars (INR Mn)	FY21	FY22	H1-FY23
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	164	184	197
Intangible assets	39	26	34
Intangible assets under development	1	-	-
Right of use asset	83	171	163
Financial Assets			
(i) Investments	121	320	320
(ii) Loans	-	-	-
(iii) Other Financial Assets	28	30	34
Deferred tax assets	23	21	21
Income tax assets (net)	111	176	193
Other non-current assets	-	11	10
Sub Total Non Current Assets	570	940	972
Current Assets			
Financial Assets			
(i) Investments	1	-	-
(ii) Trade Receivables	283	464	689
(iii) Cash & cash equivalents	119	395	252
(iv) Bank balance other than above	10	108	7
(v) Contract assets	127	146	-
(vi) Other financial assets	2	8	4
Other Current Assets	61	84	97
Sub Total Current Assets	602	1,204	1,049
TOTAL ASSETS	1,172	2,144	2,022

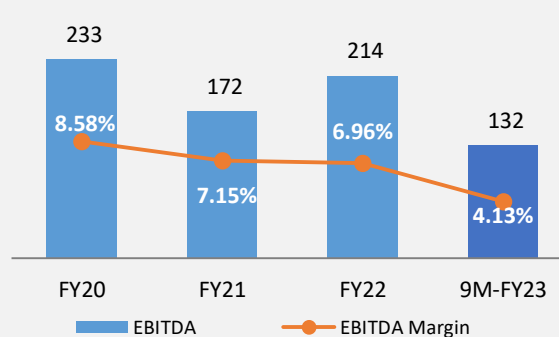
Particulars (INR Mn)	FY21	FY22	H1-FY23
EQUITY AND LIABILITIES			
Equity			
Share Capital	163	220	221
Other Equity	573	1,262	1,250
Total Equity	736	1,482	1,471
Non Current Liabilities			
(i) Borrowings	6	5	4
(ii) Lease liabilities	55	113	98
Employee benefit obligations	46	34	28
Sub Total Non Current Liabilities	107	152	130
Current Liabilities			
(i) Borrowings	-	1	1
(ii) Trade Payables	78	97	85
(iii) Other Financial Liabilities	126	178	192
(iv) Lease Liabilities	38	64	77
Provisions	11	11	14
Contract liabilities	28	103	-
Other current liabilities	48	56	51
Sub Total Current Liabilities	329	510	420
Sub Total Liabilities	436	662	550
TOTAL EQUITY and LIABILITIES	1,172	2,144	2,022

Consolidated Financial Highlights

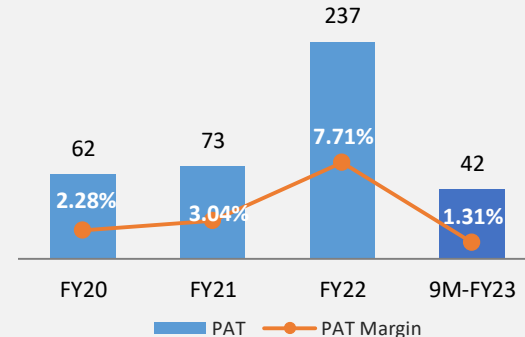
Revenue (INR Mn)



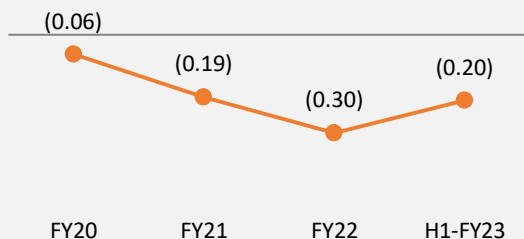
EBITDA (INR Mn) & EBITDA Margin (%)



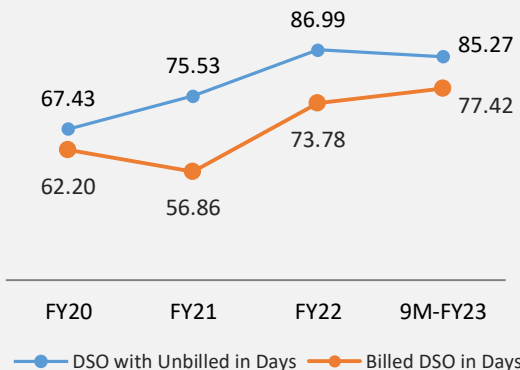
PAT (INR Mn) & PAT Margin (%)



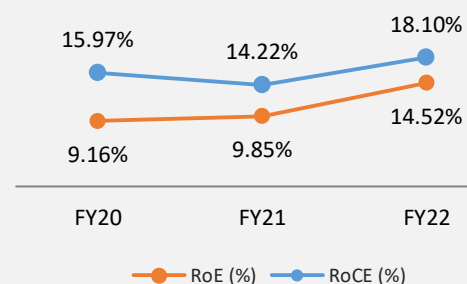
Net D/E (x)



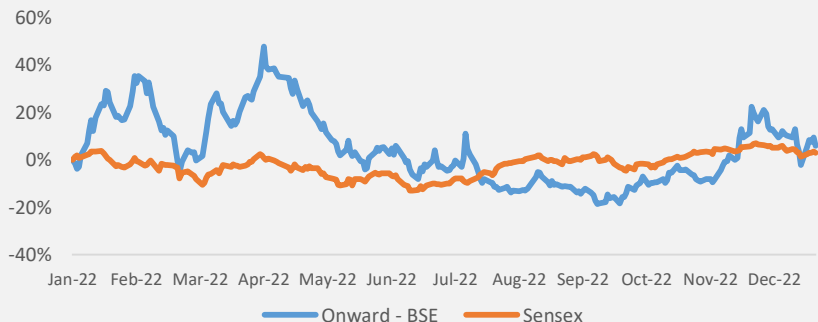
DSO Days



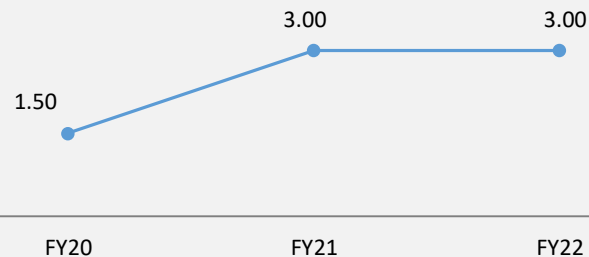
ROE and ROCE (%)



Stock Market Performance (as on 31st December, 2022)



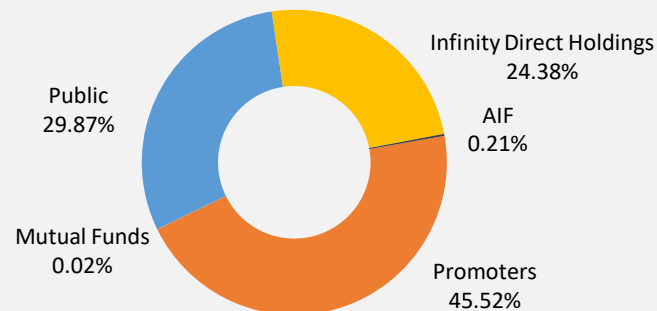
Dividend per Share (INR)



Price Data (as on 31st December, 2022)

Face Value	10.00
Market Price	304.75
52 Week H/L	428.15/223.00
Market Cap (INR Mn)	6,751.03
Equity Shares Outstanding (Mn)	22.15
1 Year Avg. Trading Volume ('000)	32.72
1 Year Avg. Net Turnover (Mn)	10.52

Shareholding Pattern (as on 31st December, 2022)



Onward Technologies Limited

No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking statements" based on the currently held beliefs and assumptions of the management of Onward Technologies Limited (Onward), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.

Forward-looking statements involve known and unknown risks, uncertainties, and other factors, which may cause the actual results, financial condition, performance, or achievements of the Company or industry results to differ materially from the results, financial condition, performance, or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment, and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties, and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations, or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration therefrom.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness, and reasonableness of the contents of this Presentation. This Presentation may not be all-inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further details, please feel free to contact our Investor Relations Representatives:



Mr. Anuj Sonpal

Valorem Advisors

Tel: +91-22-4903 9500

Email: onward@valoremadvisors.com

THANK YOU

