



**Onward**  
TECHNOLOGIES

Your Imagination. Delivered to Perfection.™

H1 / Q2-FY22

EARNINGS PRESENTATION



# Value Proposition of Onward Tech

## The Power of One



- Agile, diverse, global team of 2250+ employees
- 13 Offices in 6 countries for customer proximity
- Capacity expansions based on Customer requirements planned in India centers in FY22



## Digital play across all lines of business

- Mechanical Engineering
- Electronics and Embedded
- Digital Transformation
- Enterprise IT



## 2 Focused industry verticals

- Transportation & Mobility
- Industrial Equipment & Heavy Machinery
- Diversification and investment in 2 high-growth verticals: Healthcare & Medical Devices, Hi-Tech



## Global 2000 customers

- 6 of global top-10 automotive companies
- 5 of global top-8 heavy machinery companies
- Strong customer base and relationships to fuel double digit growth in top line



## Geared for double-digit growth

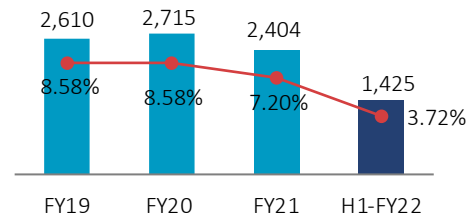
- Young leadership team from tier-1 companies
- Focused on growing existing top-25 accounts
- Margin expansion through India advantage (talent pyramid, costs)



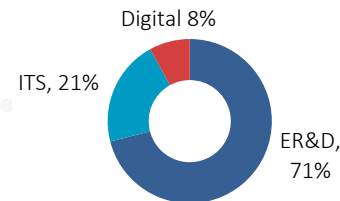
## Strong Financial Turnaround

- Net debt-free, sound balance sheet & cash reserves
- 5-year PAT CAGR at 18.16%
- 6-year track-record of consistent dividend payout

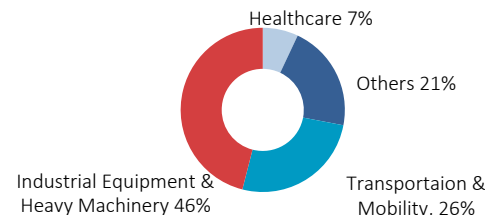
## Revenue (INR Mn) & EBITDA Margin (%)



## H1-FY22 Segmental Revenue



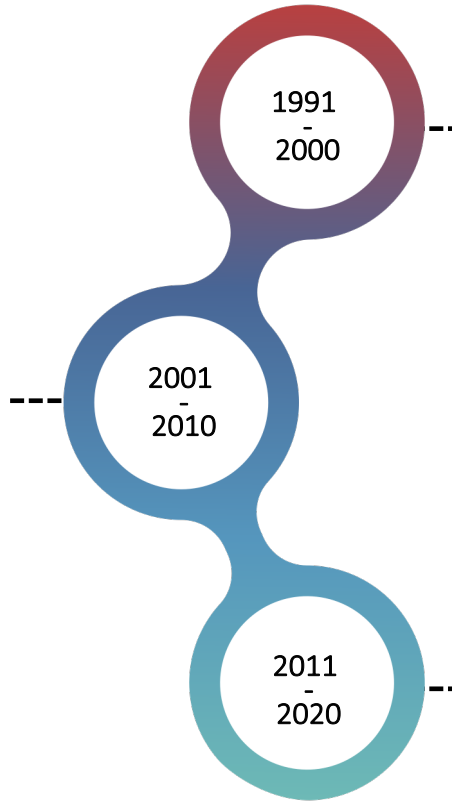
## H1-FY22 Segmental Revenue





# Who We Are – Some Key Milestones

- Pune city chosen for expanding operations
- Engineering Design Services became the mainstream focus of the company
- Built a dedicated ODC in Pune for one of the company's top 5 customers
- ISO 9001 and ISO 27001 certification for Pune Center
- Expansion in Europe by incorporating a wholly owned subsidiary in Germany & Branch office in UK



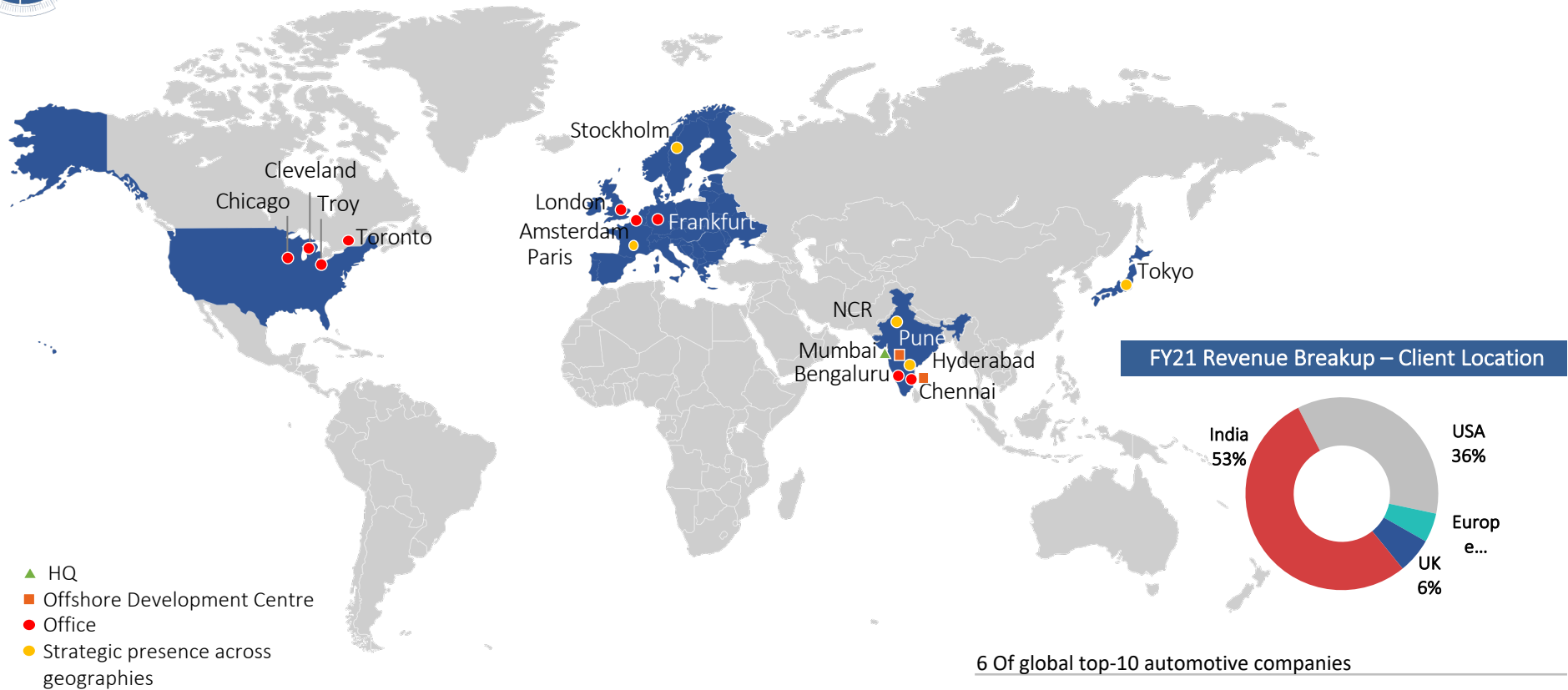
- Mr Harish Mehta founded Onward Technologies in 1991
- An independent 50:50 Joint Venture formed with Novell Inc (Onward Novell Pvt. Ltd).
- Listing on Stock Exchange in India in 1995
- Mr Harish Mehta awarded CEO of the year in 1996 by World HRD Congress in India
- Expanded footprint in North America by incorporating a wholly owned subsidiary in USA

- Mr Jigar Mehta appointed Managing Director in May 2016
- Set up multiple ODCs in Pune & Chennai for American & European clients
- Mr Harish Mehta awarded by Prime Minister Narendra Modi for his contributions to the IT Industry
- Investments made in Embedded & Electronics, and Digital capabilities
- Expansions planned in India (Bengaluru & NCR) as well as in North America & Europe





# Strategic Presence Across Geographies



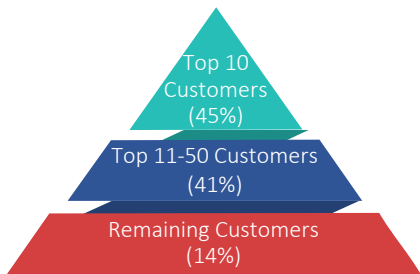
6 Of global top-10 automotive companies

5 Of global top-8 heavy machinery companies



# Growth Strategy Enablers

FY 2021



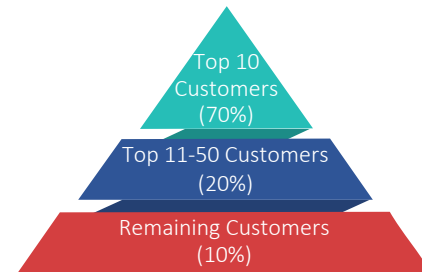
## Pivot to digital engineering services

- Invested in the digital maturity curve of our customers
- See a clear roadmap of growth in digital budgets
- Witnessing a shift from POC to adoption at scale
- Core areas include Industry 4.0, AI/ML, ADAS, cloud and DevOps

## Focused verticals and structured LOBs

- Leadership team with a strong experience across verticals
- Focus on Transportation & Mobility, Industrial Equipment & Heavy Machinery
- Hi-Tech, Healthcare & Medical Devices unlock new, high-growth areas
- Digital play across all lines of business

TARGET FY2025

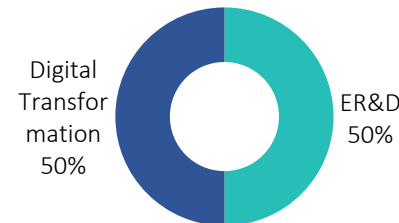
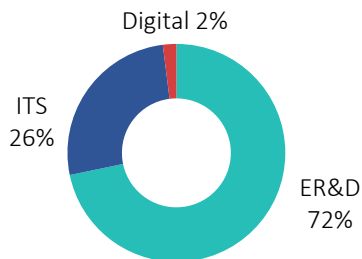


## Growth in top-accounts

- Suitably positioned to scale up TCV from top-25 clients
- These accounts are part of Global 2000, projecting large R&D allocations
- Growth/technology-partner status is several accounts
- Focused on long-duration contracts, recurring revenues, consistent billing growth

## People, policies, and performance

- Continue to upskill, hire the finest talent in digital engineering
- Agile operations with steadily increasing offshore leverage driving margin expansion
- HR policies, growth opportunities tuned to enhance career path
- Benefits aligned with industry standards





# FINANCIAL OVERVIEW

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# H1 / Q2-FY22 Key Financial Highlights

## Q2-FY22 Consolidated Financial Performance

**INR 729 Mn**

Revenue from Operations

**INR 72 Mn**

EBITDA

**9.88%**

EBITDA Margins

**INR 56 Mn**

PAT

**7.68%**

PAT Margins

**INR 2.84 /Share**

Diluted EPS

## Q2-FY22 Standalone Financial Performance

**INR 567 Mn**

Revenue from Operations

**INR 47 Mn**

EBITDA

**8.29%**

EBITDA Margins

**INR 31 Mn**

PAT

**5.47%**

PAT Margins

**INR 1.57 /Share**

Diluted EPS

## H1-FY22 Consolidated Financial Performance

**INR 1,425 Mn**

Revenue from Operations

**INR 53 Mn**

EBITDA

**3.72%**

EBITDA Margins

**INR 154 Mn**

PAT

**10.81%**

PAT Margins

**INR 8.49 /Share**

Diluted EPS

## H1-FY22 Standalone Financial Performance

**INR 1,083 Mn**

Revenue from Operations

**INR 53 Mn**

EBITDA

**4.89%**

EBITDA Margins

**INR 25 Mn**

PAT

**2.31%**

PAT Margins

**INR 1.36 /Share**

Diluted EPS





# H1 / Q2-FY22 Operational Highlights



- With an aggressive focus on execution, the company was able to deliver a 21% YoY growth in Revenues, while the absolute EBIDTA grew by 26% due to better utilisations.
- Steady Growth from Top 20 customers for Digital Engineering Services across Electronics/ Embedded, Mechanical Engineering & Enterprise IT Services.
- Added 10 large customers across 3 regions in the Transportation, Mobility & Industrial Equipment verticals.
- Other Income includes the ERC incentive received from the US entity of approximately INR 28 million pertaining to the previous financial year 20-21.
- Net Addition of 150 employees in Q2 across offices, taking the Global Headcount to 2271 employees.
- The company has signed an LOI to purchase 26,000 sq.ft of additional office space in Kharadi, Pune. This design centre will be home to 300+ offshore engineers supporting our USA & European customers. This centre is both ISO and TISAX certified.







# Management Comments

Commenting on the performance of the Company, **Jigar Mehta – Managing Director** said *“I’m pleased with the overall team performance last quarter with record 21% YoY revenue growth. We were able to deliver continuous double-digit growth due to our focus on aligning our investments on strengthening our delivery capabilities for primary verticals Transportation, Mobility, Industrial Equipment & Heavy Machinery. From Q3, we are investing in hiring 400+ freshers in our offshore centers to expand our digital & embedded engineering capabilities with customized training programs focused on our OEM customer needs. We continue to witness strong demand for our services & capabilities and are positive on closing FY22 with record growth”*





# Q2-FY22 Consolidated Income Statement (IND-AS)



Particulars (INR Mn)	Q2-FY22	Q2-FY21	Y-O-Y	Q1-FY22	Q-O-Q
Operational Income	729	602	21.10%	696	4.74%
Total Expenses	657	545	20.55%	715	(8.11)%
EBITDA	72	57	26.32%	(19)	NA
EBITDA Margins (%)	9.88%	9.47%	41 Bps	NA	NA
Other Income	41	8	NA	155	(73.55)%
Depreciation	25	27	(7.41)%	24	(4.17)%
Finance Costs	2	6	(66.67)%	2	NA
PBT	86	32	NA	110	(21.82)%
Tax	30	8	NA	11	NA
Profit After tax	56	24	133.33%	99	(43.43)%
PAT Margins (%)	7.68%	3.99%	369 Bps	14.22%	(654) Bps
Other Comprehensive Income	(1)	(4)	NA	2	NA
Total Comprehensive Income	55	20	NA	101	(45.54)%
Diluted EPS (INR)	2.84	1.45	95.86%	5.78	(50.87)%






# H1-FY22 Consolidated Income Statement (IND-AS)


Particulars (INR Mn)	H1-FY22	H1-FY21	Y-O-Y
Operational Income	1,425	1,162	22.63%
Total Expenses	1,372	1,068	28.48%
EBITDA	53	94	(43.72)%
EBITDA Margins (%)	3.72%	8.10%	438 Bps
Other Income	196	11	NA
Depreciation	49	55	(11.77)%
Finance Costs	5	13	(60.60)%
PBT	195	37	NA
Tax	41	9	NA
Profit After tax	154	28	NA
PAT Margins (%)	10.81%	2.42%	849 Bps
Other Comprehensive Income	1	(3)	NA
Total Comprehensive Income	155	25	NA
Diluted EPS (INR)	8.49	1.68	NA





# Q2-FY22 Standalone Income Statement (IND-AS)

Particulars (INR Mn)	Q2-FY22	Q2-FY21	Y-O-Y	Q1-FY22	Q-O-Q
Operational Income	567	423	34.04%	516	9.88%
Total Expenses	520	361	44.04%	511	1.76%
EBITDA	47	62	(24.19)%	5	NA
EBITDA Margins (%)	8.29%	14.66%	(637) Bps	0.97%	732 Bps
Other Income	19	29	(34.48)%	10	90.00%
Depreciation	22	24	(8.33)%	22	NA
Finance Costs	2	5	(60.00)%	2	NA
PBT	42	62	(32.26)%	(9)	NA
Tax	11	14	(21.43)%	(2)	NA
Profit After tax	31	48	(35.42)%	(7)	NA
PAT Margins (%)	5.47%	11.35%	(588) Bps	NA	NA
Other Comprehensive Income	(1)	1	NA	-	NA
Total Comprehensive Income	30	49	(38.78)%	(7)	NA
Diluted EPS (INR)	1.57	3.58	(56.15)%	(0.37)	NA



# H1-FY22 Standalone Income Statement (IND-AS)

Particulars (INR Mn)	H1-FY22	H1-FY21	Y-O-Y
Operational Income	1,083	805	34.53%
Total Expenses	1,030	704	46.31%
EBITDA	53	101	(47.52)%
EBITDA Margins (%)	4.89%	12.55%	(766) Bps
Other Income	29	36	(19.44)%
Depreciation	44	50	(12.00)%
Finance Costs	4	11	(63.64)%
PBT	34	76	(55.30)%
Tax	9	17	(47.06)%
Profit After tax	25	59	(57.60) %
PAT Margins (%)	2.31%	7.33%	(502) Bps
Other Comprehensive Income	(1)	1	NA
Total Comprehensive Income	24	60	(60.00)%
Diluted EPS (INR)	1.36	3.56	(61.8)%



# HISTORICAL FINANCIAL OVERVIEW

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# Historical Consolidated Profit & Loss



Particulars (INR Mn)	FY19	FY20*	FY21*	H1-FY22
<b>Operational Income</b>	2,610	2,715	2,404	1,425
Total Expenses	2,386	2,482	2,231	1,372
<b>EBITDA</b>	224	233	173	53
<b>EBITDA Margins (%)</b>	8.58%	8.58%	7.20%	3.72%
Other Income	12	11	53	196
Depreciation	57	113	104	49
Finance Costs	27	35	23	5
<b>PBT</b>	152	96	99	195
Tax	51	34	25	41
<b>Profit After tax</b>		62	74	154
<b>PAT Margins (%)</b>	3.87%	2.28%	3.08%	10.81%
Other Comprehensive Income	8	19	(3)	1
<b>Total Comprehensive Income</b>	109	81	71	155
Diluted EPS (INR)	6.17	3.76	4.35	8.49

\* 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)	FY19	FY20	FY21	H1-FY22
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	98	80	171	174
Intangible assets	57	41	39	33
Intangible assets under development	2	-	1	
Right of use asset	-	159	88	86
Financial Assets				
(i) Loans	29	30	31	31
Deferred tax assets	17	28	33	36
Income tax assets (net)	158	193	111	147
Other non-current assets	6	2	-	-
<b>Sub Total Non Current Assets</b>	<b>367</b>	<b>533</b>	<b>474</b>	<b>507</b>
<b>Current Assets</b>				
Financial Assets				
(i) Investment			1	143
(ii) Trade Receivables	489	498	408	454
(iii) Cash & cash equivalents	43	178	285	362
(iv) Bank balance other than above	8	44	9	9
(v) Contract assets	86	42	134	153
(vi) Other financial assets	11	1	1	4
Income tax assets (net)	19	-	-	-
Other Current Assets	44	65	64	61
<b>Sub Total Current Assets</b>	<b>700</b>	<b>828</b>	<b>902</b>	<b>1,186</b>
<b>TOTAL ASSETS</b>	<b>1,067</b>	<b>1,361</b>	<b>1,376</b>	<b>1,693</b>

Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	158	160	163	176
Other Equity	452	520	581	950
<b>Total Equity</b>	<b>610</b>	<b>680</b>	<b>744</b>	<b>1,126</b>
<b>Non Current Liabilities</b>				
(i) Borrowings	6	-	6	6
(ii) Lease liabilities	-	109	55	55
Provisions	34	25	48	48
Deferred tax liabilities	5	7	-	27
<b>Sub Total Non Current Liabilities</b>	<b>45</b>	<b>141</b>	<b>109</b>	<b>136</b>
<b>Current Liabilities</b>				
(i) Borrowings	155	181	146	1
(ii) Trade Payables	61	76	72	89
(iii) Other Financial Liabilities	141	133	151	172
(iv) Lease Liabilities	-	57	43	41
Provisions	10	21	14	20
Income tax liabilities	-	5	-	
Contract liabilities	1	5	30	34
Other current liabilities	44	62	67	74
<b>Sub Total Current Liabilities</b>	<b>412</b>	<b>540</b>	<b>523</b>	<b>431</b>
<b>Sub Total Liabilities</b>	<b>457</b>	<b>681</b>	<b>632</b>	<b>567</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,067</b>	<b>1,361</b>	<b>1,376</b>	<b>1,693</b>



# Historical Standalone Profit & Loss



Particulars (INR Mn)	FY19	FY20*	FY21*	H1-FY22
Operational Income	1,182	1,806	1,727	1,083
Total Expenses	1,032	1,660	1,531	1,030
<b>EBITDA</b>	<b>150</b>	<b>145</b>	<b>196</b>	<b>53</b>
<b>EBITDA Margins (%)</b>	<b>12.69%</b>	<b>8.03%</b>	<b>11.35%</b>	<b>4.89%</b>
Other Income	50	65	85	29
Depreciation	48	102	93	44
Finance Costs	21	33	21	4
<b>PBT</b>	<b>131</b>	<b>75</b>	<b>167</b>	<b>34</b>
Tax	37	21	40	9
<b>Profit After tax</b>	<b>94</b>	<b>54</b>	<b>127</b>	<b>25</b>
<b>PAT Margins (%)</b>	<b>7.95%</b>	<b>2.99%</b>	<b>7.35%</b>	<b>2.31%</b>
Other Comprehensive Income	(4)	3	1	(1)
<b>Total Comprehensive Income</b>	<b>90</b>	<b>57</b>	<b>128</b>	<b>24</b>
Diluted EPS (INR)	5.70	3.26	7.50	1.36

\* 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

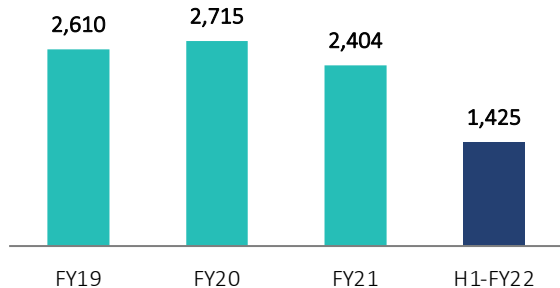
Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Property, Plant & Equipment	75	70	164	166
Intangible assets	56	41	39	33
Intangible assets under development	2	-	1	
Right of use asset	-	146	83	72
<b>Financial Assets</b>				
(i) Investments	388	121	121	136
(ii) Loans	20	29	-	-
(iii) Other Financial Assets			28	29
Deferred tax assets	5	27	23	32
Income tax assets (net)	101	193	111	146
Other non-current assets	4	1	-	-
<b>Sub Total Non Current Assets</b>	<b>651</b>	<b>628</b>	<b>570</b>	<b>615</b>
<b>Current Assets</b>				
<b>Financial Assets</b>				
(i) Investments			1	143
(ii) Trade Receivables	215	339	283	322
(iii) Cash & cash equivalents	21	75	119	158
(iv) Bank balance other than above	3	42	10	9
(v) Contract assets	36	32	127	167
(vi) Other financial assets	21	3	2	7
Other Current Assets	33	58	61	59
<b>Sub Total Current Assets</b>	<b>329</b>	<b>549</b>	<b>602</b>	<b>865</b>
<b>TOTAL ASSETS</b>	<b>980</b>	<b>1,178</b>	<b>1,172</b>	<b>1,480</b>

Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share Capital	158	160	163	176
Other Equity	454	455	573	810
<b>Total Equity</b>	<b>612</b>	<b>615</b>	<b>736</b>	<b>986</b>
<b>Non Current Liabilities</b>				
(i) Borrowings	1	-	6	5
(ii) Lease liabilities	-	104	55	47
Employee benefit obligations	21	25	46	54
<b>Sub Total Non Current Liabilities</b>	<b>22</b>	<b>129</b>	<b>107</b>	<b>106</b>
<b>Current Liabilities</b>				
(i) Borrowings	161	68	-	1
(ii) Trade Payables	46	96	78	88
(iii) Other Financial Liabilities	79	92	126	131
(iv) Lease Liabilities	-	48	38	35
Provisions	9	20	11	10
Contract liabilities	24	58	28	82
Other current liabilities	27	52	48	41
<b>Sub Total Current Liabilities</b>	<b>346</b>	<b>434</b>	<b>329</b>	<b>388</b>
<b>Sub Total Liabilities</b>	<b>368</b>	<b>563</b>	<b>436</b>	<b>494</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>980</b>	<b>1,178</b>	<b>1,172</b>	<b>1,480</b>

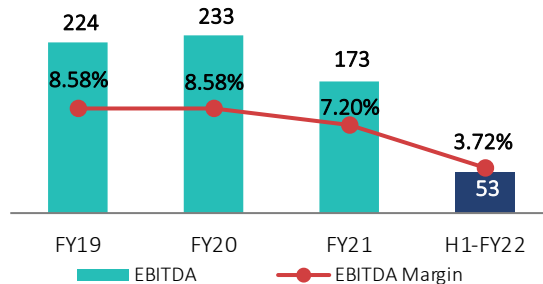


# Consolidated Financial Highlights

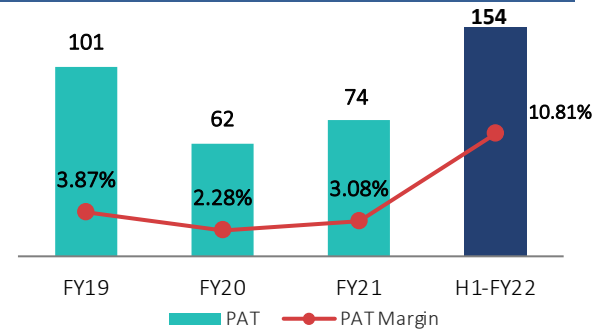
### Revenue (INR Mn)



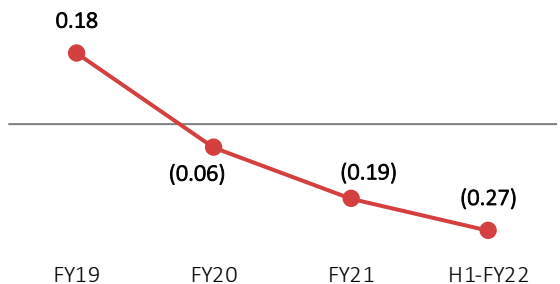
### EBITDA (INR Mn)



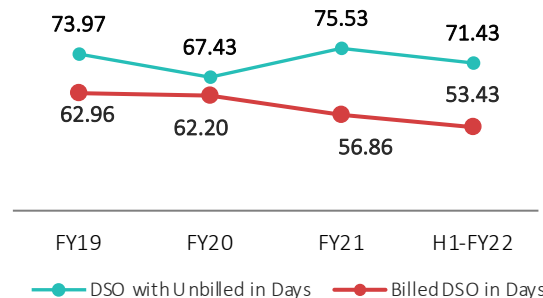
### PAT (INR Mn)



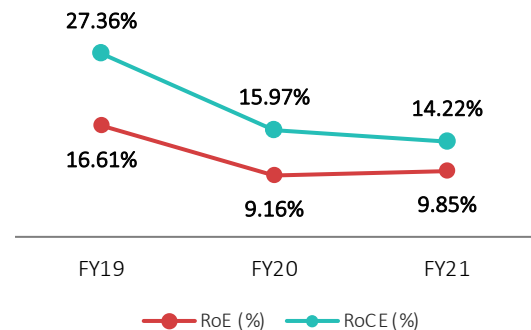
### Net D/E (x)



### DSO



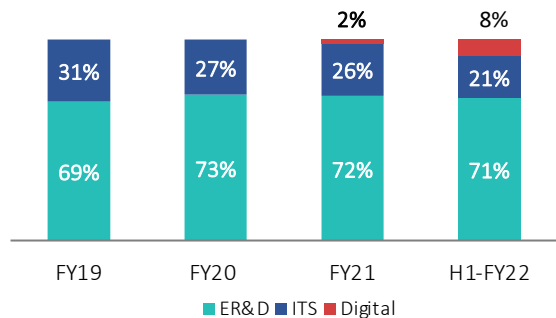
### ROE and ROCE (%)



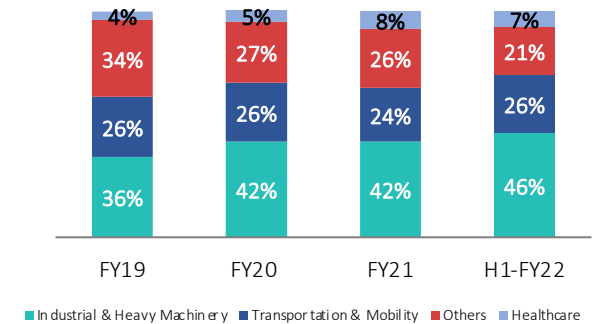


# Revenue Metrics (Consolidated)

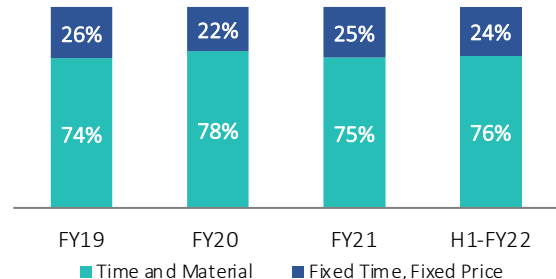
## Revenue by Business



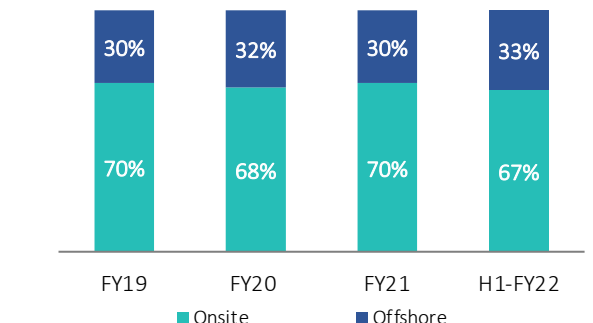
## Revenue by Industry



## Revenue by Contract Type



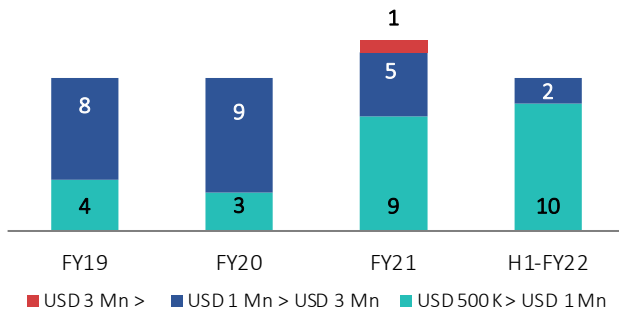
## Revenue by Engagement Model



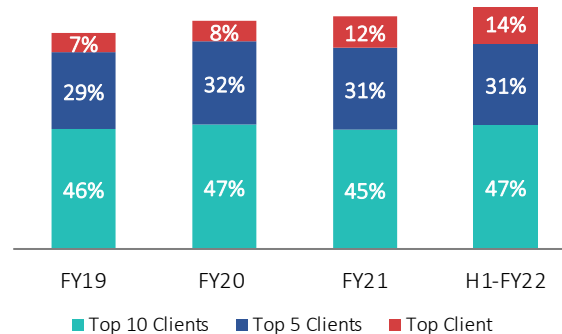


# Customer Metrics (Consolidated)

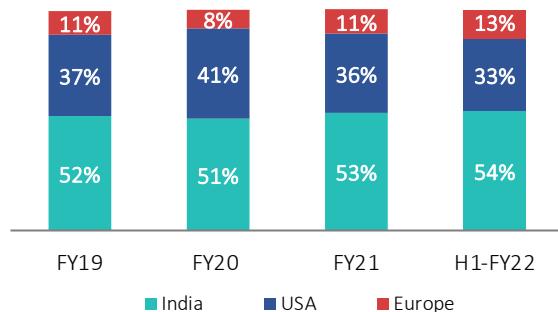
### Client Deal Size Breakup



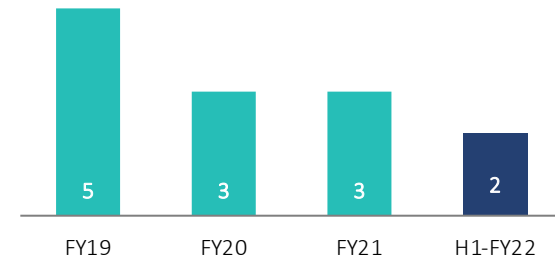
### Revenue of Major Clients



### Revenue by Client location



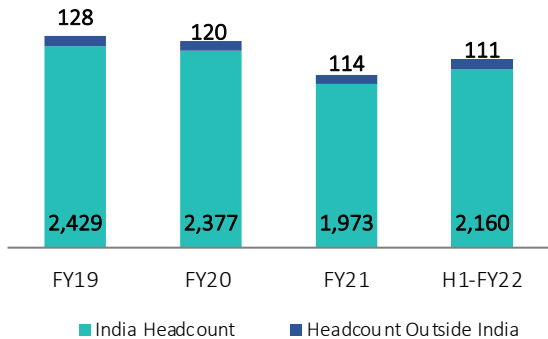
### Strategic Global Customers Added



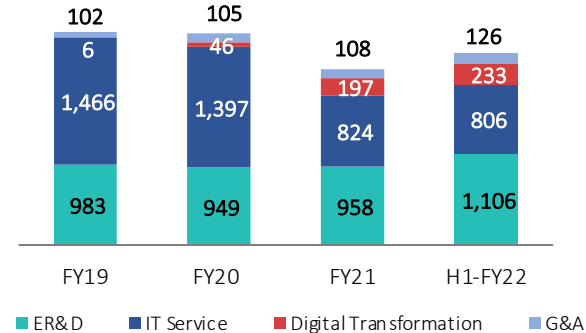


# Employee Metrics (Consolidated)

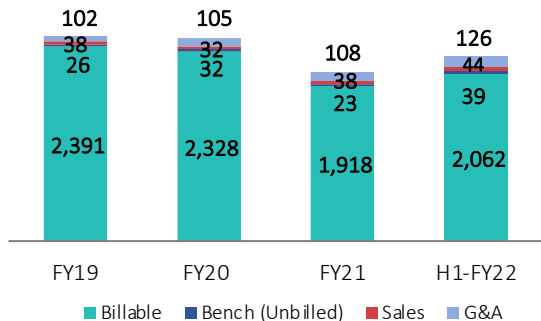
### Headcount by Location



### Headcount by Business



### Headcount by Function







# Hedging & Other Metrics

Other Ratios	FY19	FY20	FY21	H1-FY22
Carpet Area	70,873	71,948	65,285	65,285
Number of seats	889	906	847	847
PBT to Revenue%	5.82%	3.55%	4.08%	13.77%
Number of active clients	199	210	184	210

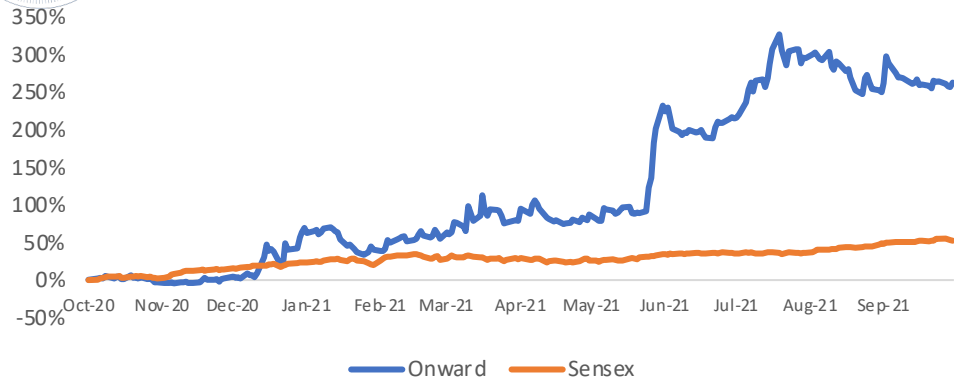
Hedging Details for H1-FY22*	Actual Hedge Rate	Hedge Amount (Mn)	Actual Rate Achieved	Gain Over 50% Hedge rate (INR, Lakh)
USD	74.48	1.77	74.55	1.04
EUR	88.77	0.51	88.03	(1.98)
GBP	101.82	0.54	102.77	4.40

\*The performance is benchmarked against a 50% hedge rate - average of Day 1 forward rate and spot on maturity/current MTM for outstanding exposure.

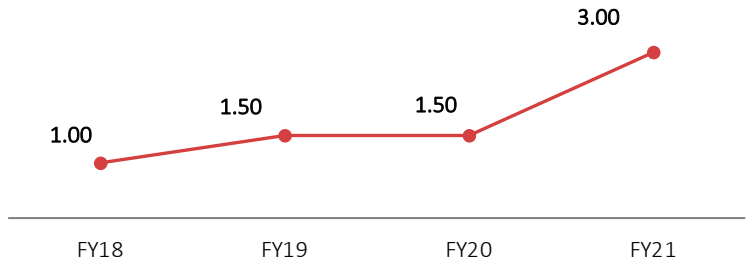




# Capital Market Data



## Dividend per Share (INR)

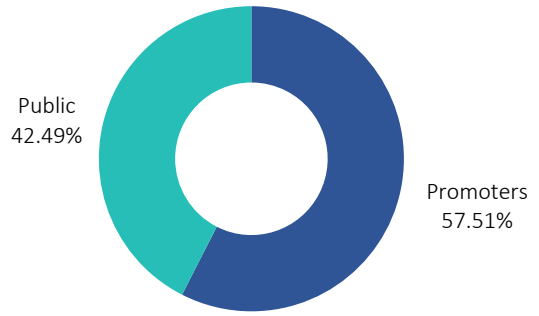


## Price Data (As of 30th September 2021)\*

Face Value	10.0
Market Price	230.3
52 Week H/L	283.8/57.6
Market Cap (INR Mn)	4,027.8
Equity Shares Outstanding (Mn)	17.4
1 Year Avg. Trading Volume ('000)	171.3
1 Year Avg. Net Turnover (Mn)	22.4

\* Source: BSE and NSE

## Shareholding Pattern (as on 30th September, 2021)





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