



Onward
TECHNOLOGIES
Your Imagination. Delivered to Perfection.™

INVESTOR PRESENTATION

NOVEMBER 2021



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

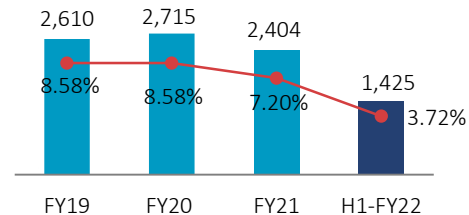
- Young leadership team from tier-1 companies
- Focused on growing existing top-25 accounts
- Margin expansion through India advantage (talent pyramid, costs)



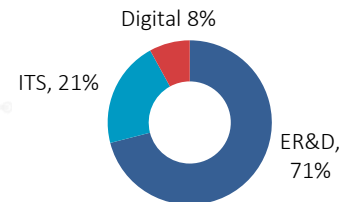
Strong Financial Turnaround

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

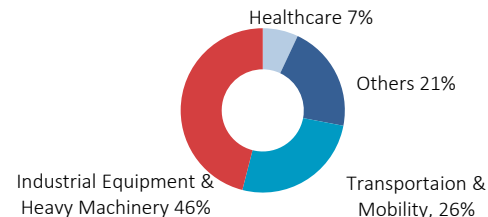
Revenue (INR Mn) & EBITDA Margin (%)



H1-FY22 Segmental Revenue



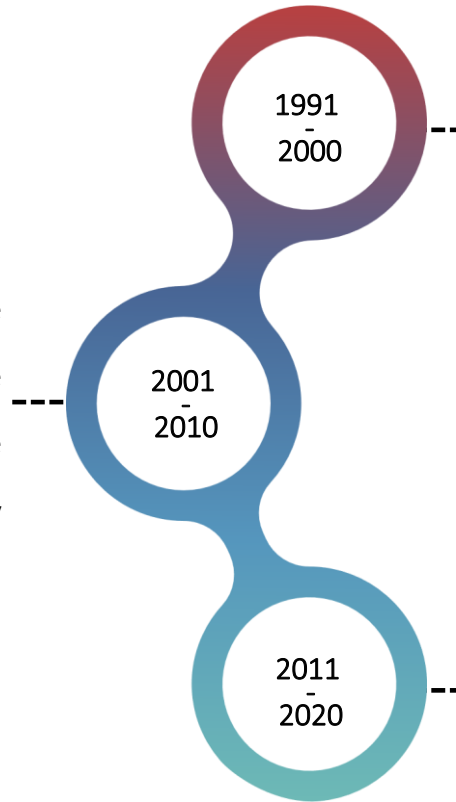
H1-FY22 Segmental Revenue





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





Board of Directors



Harish S. Mehta - Executive Chairman

Experience: 30 Years

Other Engagements: NASSCOM, Hinditron-Digital (DEC), Indus Entrepreneurs (TiE), Indian Angel Network (IAN), Small Industries Development Bank of India (SIDBI), Gujarat Venture Funds Limited, Infinity Venture Fund

Education: BE, MS



Jigar H. Mehta - Managing Director

Experience: 19 Years

Education: Business Administration from Boston University, MA (USA)



Parish Meghani - Director

Experience: 15+ Years

Other Engagements: Bangalore Spokes Pvt. Ltd.

Education: MBA, Product Engineering



Jay Sonawala - Director

Experience: 22 Years

Other Engagements: HDFC Bank

Education: MMS- Finance, B.Com



Rahul Rathi - Director

Experience: 16 Years

Other Engagements: Purnartha Investment Advisors Pvt. Ltd, Plastiblends India Limited

Education: MBA, Polymer Engineering



Prachi Mehta - Director

Experience: 15 Years

Other Engagements: Founder of The Next Level an organisation that promotes Chess at School and state levels in Maharashtra and associated with Indian Angel Network

Education: MBA



Subrata Kumar Mitra - Director

Experience: 44 Years

Other Engagements: Bank of India, Standard Chartered Bank, American Express Bank, GIC Mutual Fund, Aditya Birla Group and Independent Director and Committee member in the board of reputed organizations like Asia Asset Management & Governing Council Member of Association of Corporate Independent Directors

Education: M Sc, MBA



Harsha Raghavan - Director

Experience: 25 Years

Other Engagements: Fairbridge Capital Private Limited (a Fairfax Company), Candover Investments, Goldman Sachs Principal Investment Area, Indocan Chase Capital

Education: MBA, MS



Leadership Team



Vignesh Kumar - EVP - Sales (International Business)

Experience: ~28 years

Previous stint: Siemens, TCS

Education: BE / MBA



CA Devanand Ramandasani - Chief Financial Officer

Experience: ~15 years

Previous Stint: Datamatics, Infosys

Education: CA



Pratish Mehta - EVP - USA Operations & Global Marketing Head

Experience: ~15 years

Education: BE / MBA



V Sankar – EVP - Strategic Accounts

Experience: ~30 years

Education: BCom



Pramod Patil - EVP – Sales (India Business)

Experience: ~32 years

Previous Stint: JCB, John Deere

Education: BE / MBA / Executive MBA



Manish Soni - SVP – Sales (USA)

Experience: ~21 years

Previous Stint: LTTS, Aricent,

Education: BE / MBA



Sujata Singh - SVP and Global Head - HR

Experience: ~21 years

Previous Stint: Aker Powergas, WNS

Education: MBA



Nirmala Bhat – SVP – Client Engagements

Experience: ~21 years

Previous Stint: Altran, Safran

Education: BSc / Masters in HRM



Satish Ramanan - SVP and Global Head – Digital Transformation

Experience: ~32 years

Previous Stint: Teradata, Siemens

Education: MCom / MBA



Rajesh Nikam – SVP – Delivery

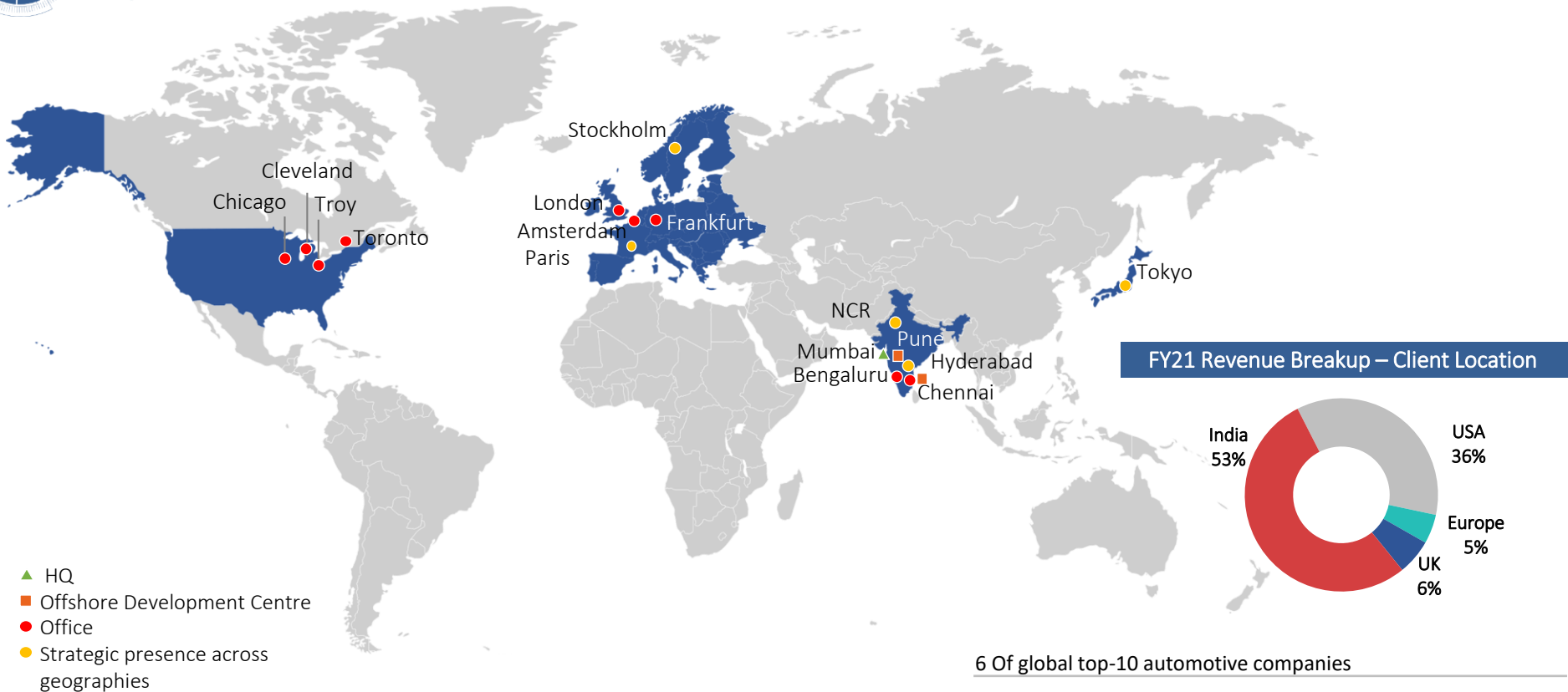
Experience: ~30 years

Previous Stint: LTTS, Tata Elxsi

Education: BE



Strategic Presence Across Geographies



6 Of global top-10 automotive companies

5 Of global top-8 heavy machinery companies



BUSINESS OVERVIEW



Technology Services for Focus Industry Groups



Digital Technologies



Electronics & Embedded Software



Engineering & Product Design



Information Technology

- Digital with AR/VR
- Engineering Automation
- Big Data Analytics
- Cloud & DevOps
- AI/ML

- Platform Services - Hardware, Software
- Connectivity Solutions
- Product Sustenance & Modernization
- After Market Support
- Verification & Validation

- New Product Design & Development
- Value Engineering
- Virtual Simulation
- Manufacturing Engineering
- Technical Publication

- SW Development & Maintenance
- Enterprise Business Applications
- Data Management & Reporting
- Testing & QA Services
- Enterprise Managed Services



Core Capabilities & Strengths



Transportation & Mobility



Industrial Equipment & Heavy Machinery



Healthcare, Medical Tech & Pharma



Hi Tech & Manufacturing



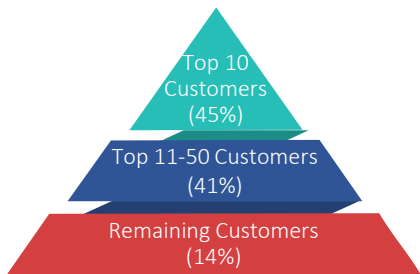
Investing to enhance Capabilities





Growth Strategy Enablers

FY 2021



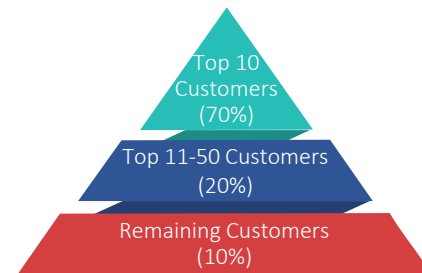
Pivot to digital engineering services

- 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

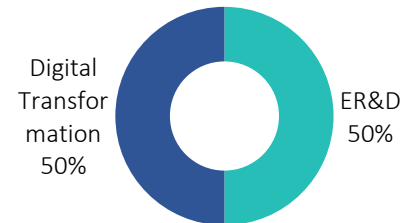
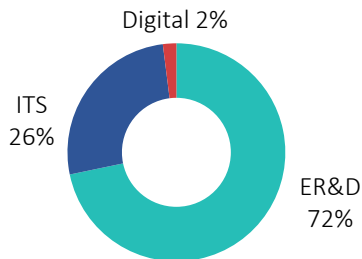


Growth in top-accounts

- 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





Customer Success Stories

Global off-highway equipment manufacturer



AWS Cloud Toolchest Platform

Business Issue

Multiple Web based applications for all platform services, most of them are microservices

Challenge/s

No single unified platform for multiple tools

Not able to focus on core activities

Services & Benefits

Created web-based platform bridging applications & engineers
Role based access control, single sign on, detailed log
Predictions for future investments
New tools development did not require rebuild of platform capabilities

World's largest construction equipment manufacturer



Engineering Automation framework

Business Issue:

Effort intensive and manual review of 2D & 3D drawings

Challenge/s:

Errors due to absence of intuitive & automated tools

Services & Benefits:

Designed and developed container-based architecture on the cloud
ML model that could learn test cell output and feedback to NPI programs
Image processing and Image-based search
Productivity doubled to 55% with 92% accuracy

Leading healthcare major



Product Re-design

Business Issue

A major healthcare facility was looking to revamp and re-design their hospital beds

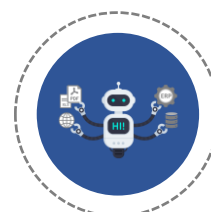
Challenge/s

Old Hospital beds were uncomfortable and posing risks to patients

Services & Benefits

Design specialists reverse engineered the entire hospital bed basis only photographs and w/o any CAD models/drawings
Embedded new electronic parts to automate the bed for enhanced patient safety and comfort
Compatible 3D printing designs developed for cost-effective production.

Global transportation and locomotive company



Value Engineering

Business Issue:

Steadily increasing costs to build a locomotive engine

Challenge/s

Too many parts and suppliers across the globe

Services & Benefits

Consulting led by domain experts in the manufacturing and design process
Cost engineered the client's entire diesel locomotive engine
Also supported the client in finding low-cost vendors
>\$4 mn in overall cost savings



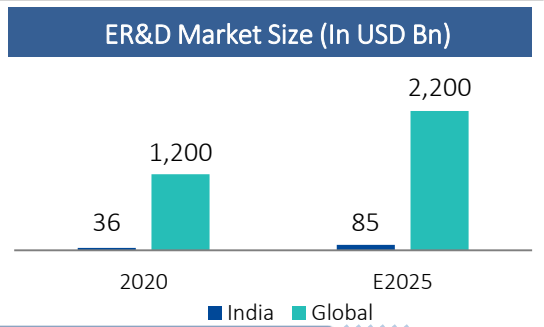
INDUSTRY OVERVIEW



Engineering R&D Service Industry

- In 2020, the global Engineering R&D spend was USD 1.2 Tn, with corporate Engineering R&D spend being USD 772 Bn.
- In 2021, Indian firms clocked USD 35.9 Billion in ER&D service exports, according to NASSCOM.
- As the largest exporter of ER&D services, this has huge implications for India, and the opportunity could be as large as USD 100 Billion.
- India is rapidly emerging as the destination for innovation and technology by tapping into its robust and thriving start-up ecosystem. Additionally, proactive and supportive policies are also an attractive advantage.
- Recent investments and government initiatives such as Make in India, Skill India, Digital India, and Start-up India have significantly contributed to establishing the country as an attractive destination for ER&D and innovation.
- India surpassed China in attracting funds for engineering R&D, clearly marking India as the next destination for high-end ER&D. Of the overall USD 100 Billion spent globally on outsourced ER&D, India accounted for about USD 31 to USD 32 Billion. Global companies across Asia are increasing investment in India to leverage the country's advantages in talent, cost, and policy support.
- India, today, is home to more than 1,430+ Global Capability Centers (GCCs) that conduct offshore product development and provide product engineering services for their headquarters. These GCCs represent some of the largest Fortune 500 companies that have their largest or second-largest R&D centers located here, including GE, Samsung, Cisco, Intel, Daimler Benz, Airbus, Boeing, and Bosch.
- Currently, there are approximately 1.4 Mn+ engineers involved in ER&D in the country. To service a USD 85 Billion market, we will need to add another one million engineers in the next five years.
- Over the last 5 years, this industry has witnessed a 75% growth in employee-base and a 11% CAGR in revenues, while significantly supporting their global organizations digital transformation journey.

USD 1.2 Tn	2020 Global ER&D Spend Expected future CAGR of 7%
USD 35.9 Bn	Indian ER&D Exports 18-20% share of Indian IT industry revenue
1.4 Mn+	ER&D employees 12-13% share of industry workforce
+1,430	Global Capability Centres in India



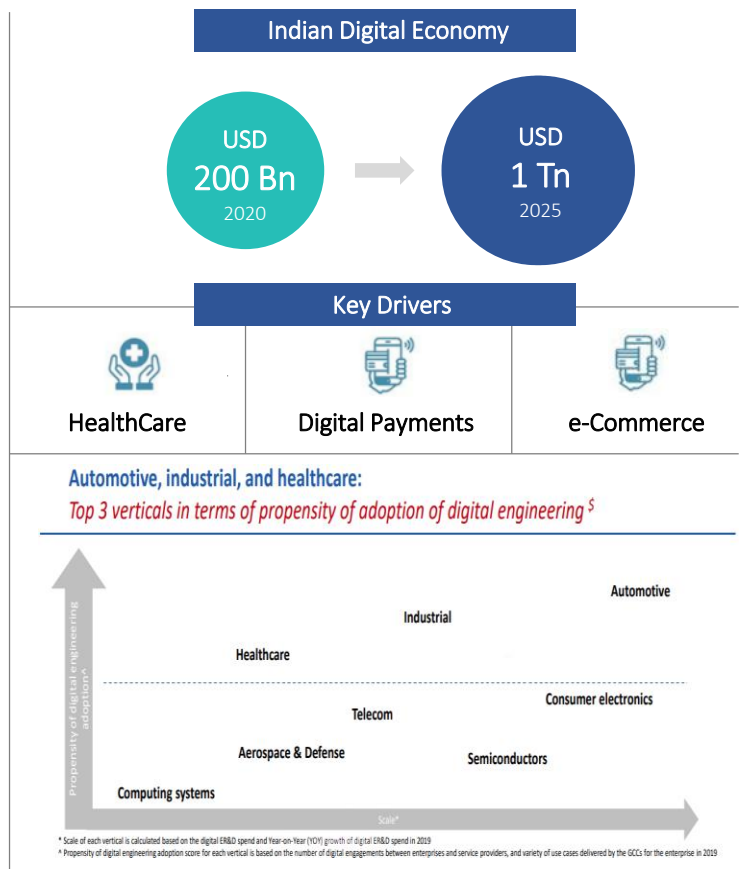
Source: Nasscom, Zinnov, FutureFactor360



Digital Transformation

- The covid-19 pandemic has accelerated the demand for hi-tech by shrivelling human activity into a world of apps. The explosion in online activity has galvanized massive cloud-led adoption, digital adoption, and transformation of the core. Global digital penetration has been reset at lower levels in light of emerging realities, thereby resetting the high-growth phase for technology from up to FY24 to up to FY27 in the least.
- Software & Internet vertical is the largest contributor to ER&D Spend, with USD 196 Billion and also contributes ~40% to the overall Digital Engineering spend, driven by investments in Digital Engineering Stack and new-age technologies such as AI/ML, AR/VR, Big Data Analytics, and Blockchain.
- Digital Engineering is accelerating across industries and is led by Software & Internet, which accounts for USD 160 Billion and is expected to grow at a 22% CAGR to reach USD 527 Billion by 2025.
- Enterprises are making significant investments in Digital Engineering initiatives to continue to stay relevant. Services-led verticals such as BFSI, Media & Technology, Retail, Healthcare Payers & Providers, and Travel & Hospitality are rushing to build new products and services to drive differentiation, thereby creating ER&D opportunities for providers.
- Indian software industry body Nasscom forecasts 15-20% CAGR growth in digital transformation spend globally. Enterprise digital transformation spend globally is currently at USD 1.04 Trillion.
- It also forecasts Indian digital economy would catapult to a USD 1 Trillion industry by 2025 from USD 200 Billion in 2020.
- According to a report by EY, Of the 500 corporates surveyed, for the largest share of their investment over the past two years, the top four were cloud (60%), data and advanced analytics (52%), the Internet of Things (IoT) (50%) and AI (47%).

Source: Zinnov, Nasscom, Edelweiss Research, EY





FINANCIAL OVERVIEW



Historical Consolidated Profit & Loss



Particulars (INR Mn)	FY19	FY20*	FY21*	H1-FY22
Operational Income	2,610	2,715	2,404	1,425
Total Expenses	2,386	2,482	2,231	1,372
EBITDA	224	233	173	53
EBITDA Margins (%)	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
PBT	152	96	99	195
Tax	51	34	25	41
Profit After tax		62	74	154
PAT Margins (%)	3.87%	2.28%	3.08%	10.81%
Other Comprehensive Income	8	19	(3)	1
Total Comprehensive Income	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
ASSETS				
Non-Current Assets				
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	-	-
Sub Total Non Current Assets	367	533	474	507
Current Assets				
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
Sub Total Current Assets	700	828	902	1,186
TOTAL ASSETS	1,067	1,361	1,376	1,693

Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
EQUITY AND LIABILITIES				
Equity				
Share Capital	158	160	163	176
Other Equity	452	520	581	950
Total Equity	610	680	744	1,126
Non Current Liabilities				
(i) Borrowings	6	-	6	6
(ii) Lease liabilities	-	109	55	55
Provisions	34	25	48	48
Deferred tax liabilities	5	7	-	27
Sub Total Non Current Liabilities	45	141	109	136
Current Liabilities				
(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
Sub Total Current Liabilities	412	540	523	431
Sub Total Liabilities	457	681	632	567
TOTAL EQUITY AND LIABILITIES	1,067	1,361	1,376	1,693



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
EBITDA	150	145	196	53
EBITDA Margins (%)	12.69%	8.03%	11.35%	4.89%
Other Income	50	65	85	29
Depreciation	48	102	93	44
Finance Costs	21	33	21	4
PBT	131	75	167	34
Tax	37	21	40	9
Profit After tax	94	54	127	25
PAT Margins (%)	7.95%	2.99%	7.35%	2.31%
Other Comprehensive Income	(4)	3	1	(1)
Total Comprehensive Income	90	57	128	24
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

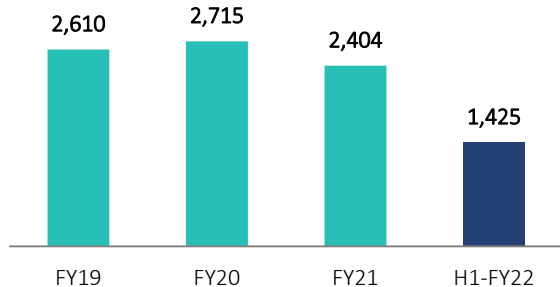
Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
ASSETS				
Non-Current Assets				
Property, Plant & Equipment	75	70	164	166
Intangible assets	56	41	39	33
Intangible assets under development	2	-	1	
Right of use asset	-	146	83	72
Financial Assets				
(i) Investments	388	121	121	136
(ii) Loans	20	29	-	-
(iii) 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	-	-
Sub Total Non Current Assets	651	628	570	615
Current Assets				
Financial Assets				
(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
Sub Total Current Assets	329	549	602	865
TOTAL ASSETS	980	1,178	1,172	1,480

Particulars (INR Mn)	FY19	FY20	FY21	H1-FY22
EQUITY AND LIABILITIES				
Equity				
Share Capital	158	160	163	176
Other Equity	454	455	573	810
Total Equity	612	615	736	986
Non Current Liabilities				
(i) Borrowings	1	-	6	5
(ii) Lease liabilities	-	104	55	47
Employee benefit obligations	21	25	46	54
Sub Total Non Current Liabilities	22	129	107	106
Current Liabilities				
(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
Sub Total Current Liabilities	346	434	329	388
Sub Total Liabilities	368	563	436	494
TOTAL EQUITY and LIABILITIES	980	1,178	1,172	1,480

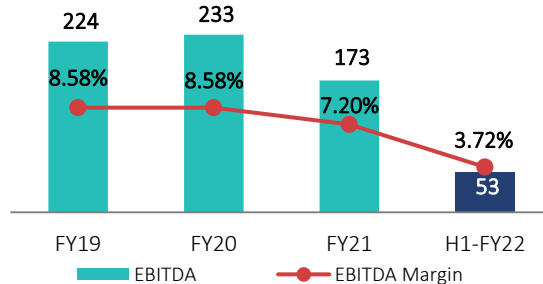


Consolidated Financial Highlights

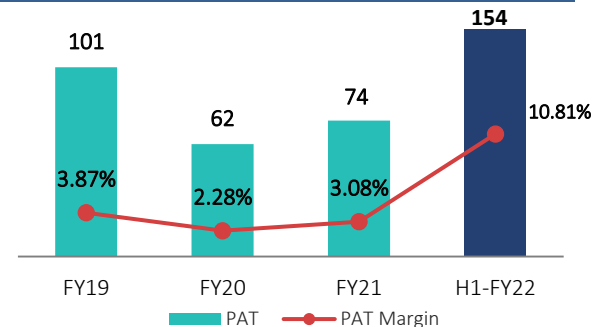
Revenue (INR Mn)



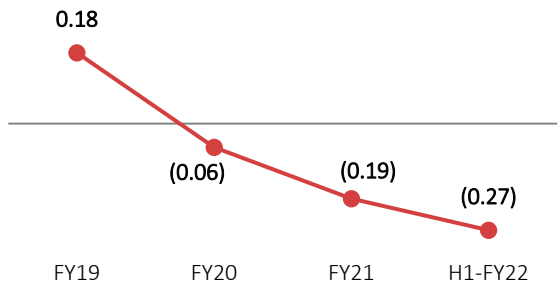
EBITDA (INR Mn)



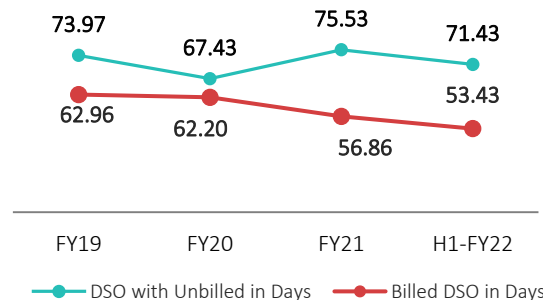
PAT (INR Mn)



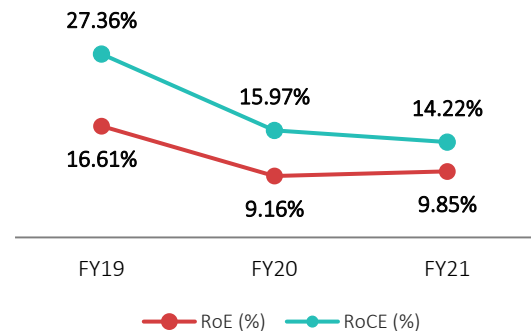
Net D/E (x)



DSO



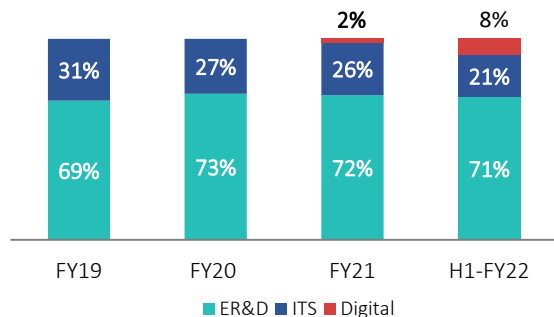
ROE and ROCE (%)



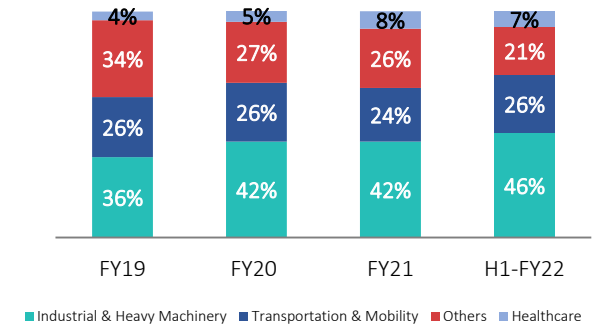


Revenue Metrics (Consolidated)

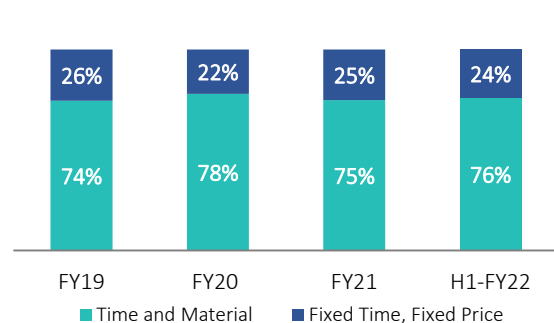
Revenue by Business



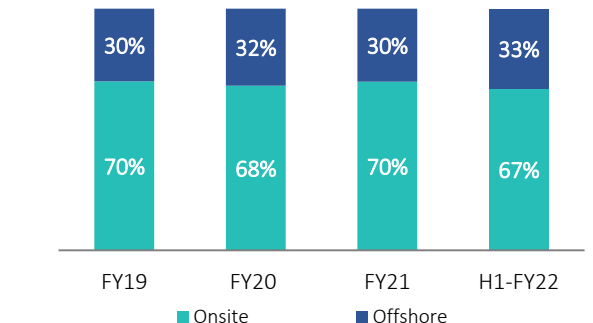
Revenue by Industry



Revenue by Contract Type



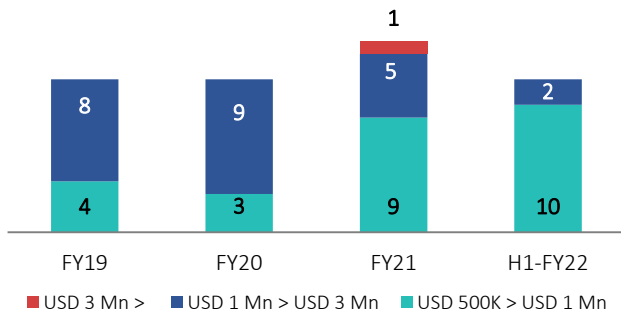
Revenue by Engagement Model



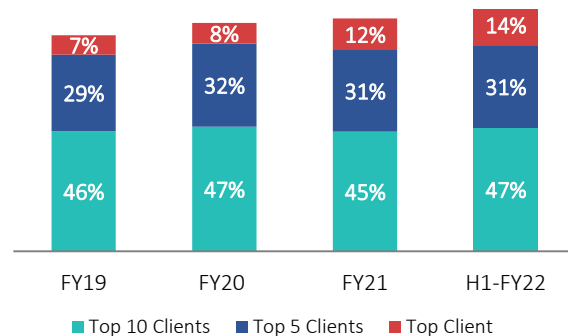


Customer Metrics (Consolidated)

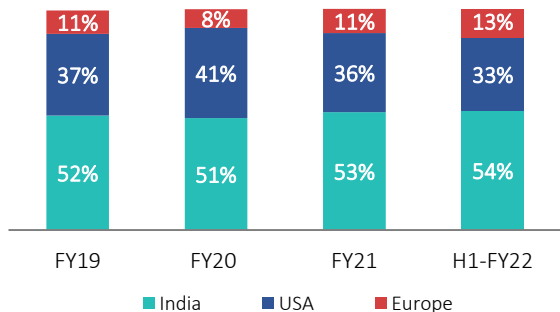
Client Deal Size Breakup



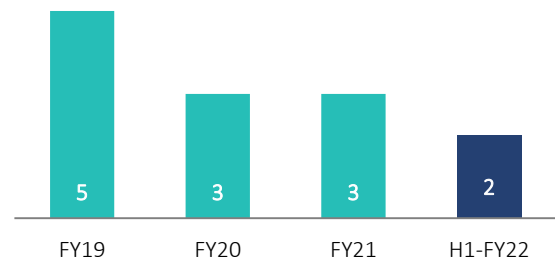
Revenue of Major Clients



Revenue by Client location



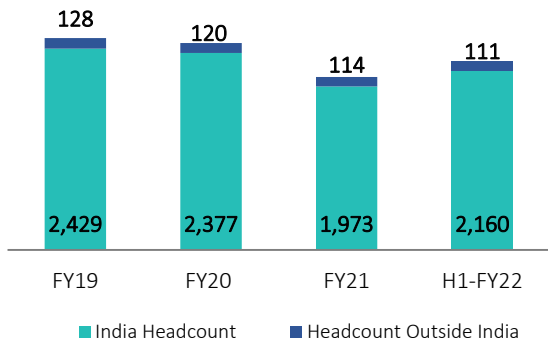
Strategic Global Customers Added



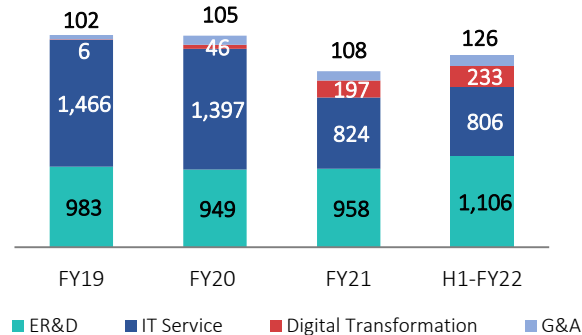


Employee Metrics (Consolidated)

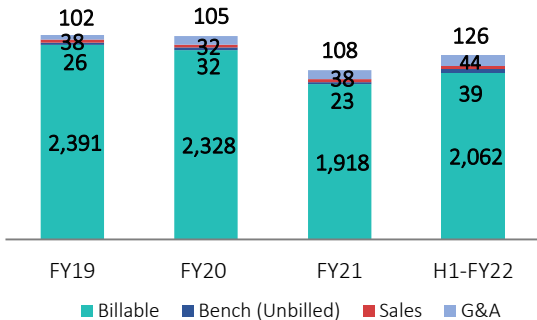
Headcount by Location



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

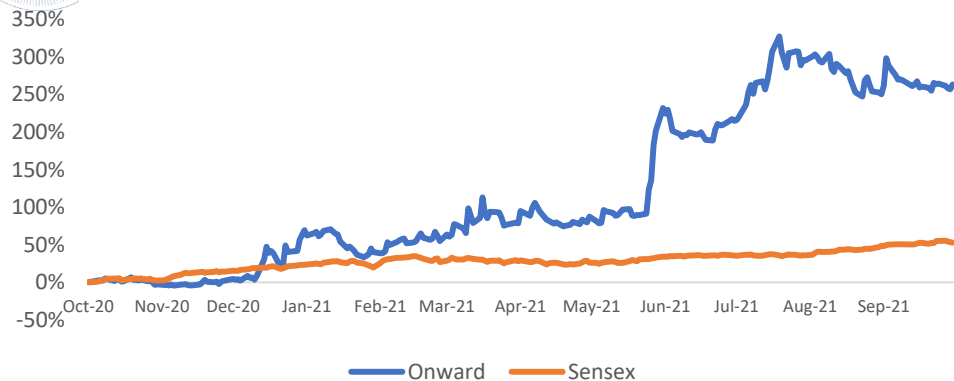
Hedging Details for H1-FY22*	Actual Hedge Rate	Hedge Amount (Mn)	Actual Rate Achieved	Gain Over 50% Hedge rate (INR, Lakh)
USD	74.48	1.77	74.55	1.04
EUR	88.77	0.51	88.03	(1.98)
GBP	101.82	0.54	102.77	4.40

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

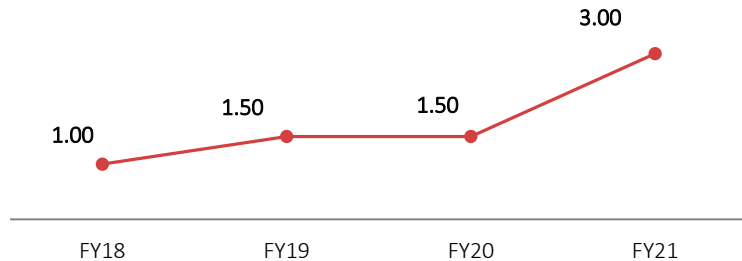




Capital Market Data



Dividend per Share (INR)

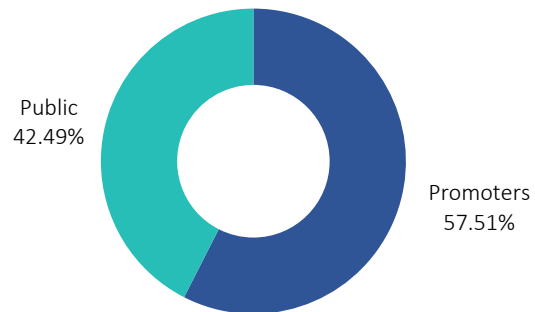


Price Data (As of 30th September 2021)*

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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