

EARNINGS PRESENTATION
Q4-FY21/FY21





Legacy

- 3 Decades of Experience
- Founder, **Mr. Harish Mehta** also co-founded **NASSCOM**
 - Global Footprint
- Leading Engineering R&D and Digital Transformation service provider



Flexible Business Model

- Onsite / Offshore blended services
- Ability to ramp up globally to meet client demands
 - Agility & Speed in Execution



Execution Capabilities

- Over 8500 of Projects Delivered
 - Over 50 Million of Hours of engineering work
- Among select few specialised ER&D Service providers in India



Marquee Clientele

- Enviable Customer base of marquee companies
- Preferred partner to 30+ Large Global companies across North America, Europe and India.



Team Strength

- Dynamic & Experienced Leadership Team
 - 2,000+ Experienced employees
- Continuously investing in training for skilling, upskilling, reskilling



Key Financial Metrics

- 5-year Revenue CAGR: 3.98%
 - 5-year PAT CAGR: 18.16%
- FY21 ROE: 9.85%, ROCE: 14.22%
 - Net Debt Free

Company Overview

- Established in 1991 Onward Technologies Ltd is a leading player today in Engineering Research & Development (ER&D), Digital Transformation and IT consulting services (ITS).
- Headquartered at Mumbai, the company caters to a wide set of customers who are leading global players in their respective areas and it is a trusted service provider for many leading MNC companies across sectors like Transportation, Industrial & Heavy Machinery, Hi-Tech and Healthcare & Medical Devices.
- The company prides itself in possessing high-end capabilities and providing flawless execution across Digital suite of Engineering Design services.
- Onward has a strong team of more than 2,000 experienced employees operating from multiple offices and client locations across India, USA, UK & Europe.
- With the changes occurring in the global manufacturing space, Onward Technologies enables companies become more dynamic, flexible, and efficient while optimising costs significantly.

Key Business Segments

Engineering Research & Development (ER&D)

- The Company offers wide range of engineering design services including product design, electronics and embedded engineering, engineering analysis, engineering documentation and maintenance and manufacturing solutions.

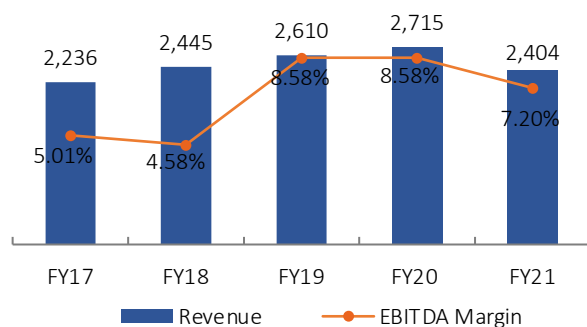
Digital Transformation

- With the Industry 4.0 revolution, digital transformation is the newest but fastest growing vertical, with services like digital factory, data architecture design & modelling, big data and advanced analytics, IoT, cloud services, automation and data visualization.

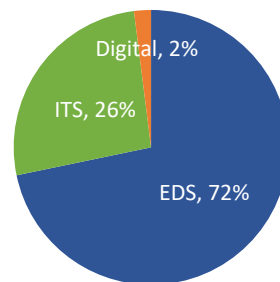
IT Services (ITS)

- The IT consulting vertical also provides application management services, database maintenance support, technical helpdesk support, infrastructure support and retail banking solutions.

Revenue & EBITDA Margin (INR Mn)



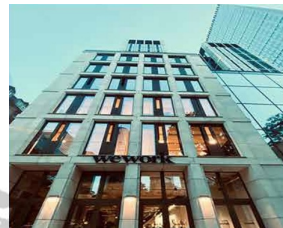
FY21 Segmental Revenue



Geographical Presence



Onward London



Onward Germany



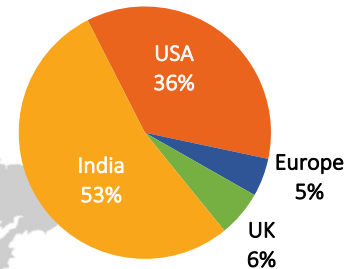
Onward Troy



Onward Chicago



FY21 Revenue Breakup – Client Location



Onward Mumbai HQ



Onward Pune

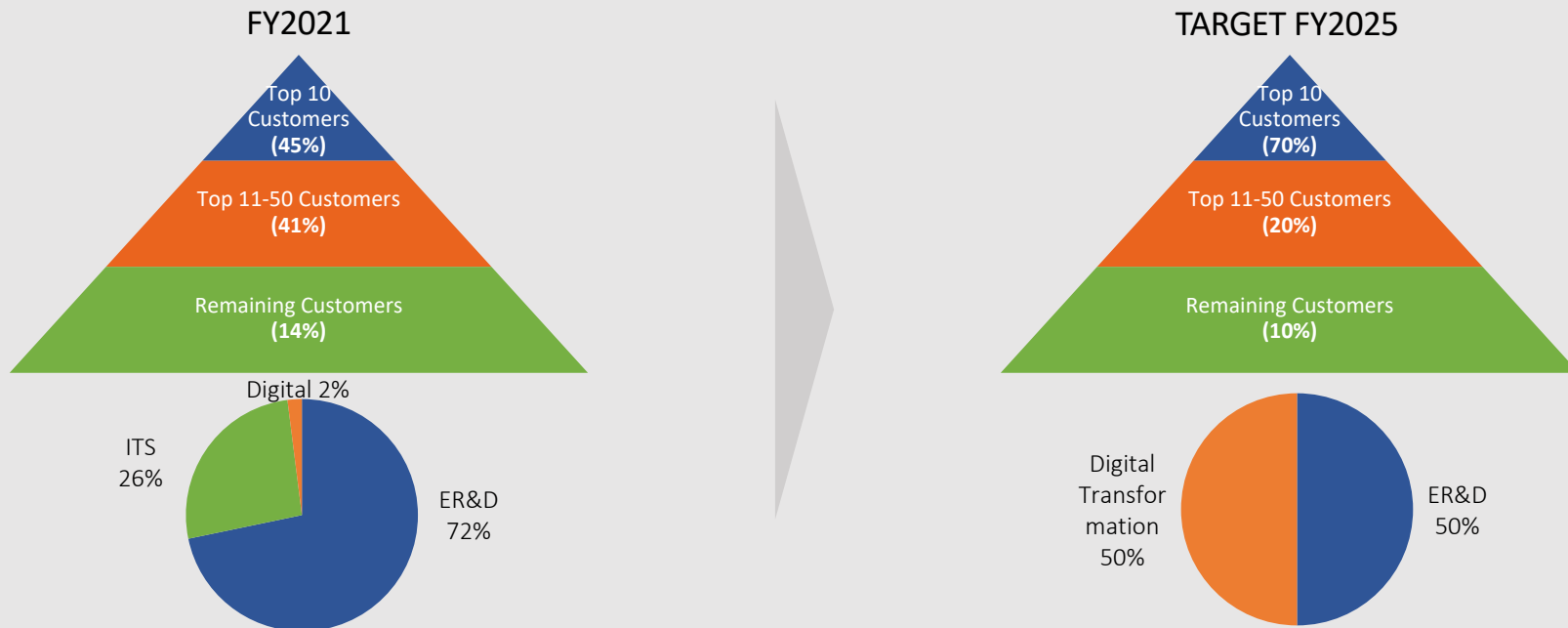
Large Customers with more than 10 Years of Association	7
Large Customers with more than 5 Years of Association	10

Key Strengths



- Proven expertise in delivering mechanical engineering and digital transformation services to global 1000 companies
- Ability to ramp-up on-demand across the globe on a short notice
- Flexible business and engagement model to provide agility and cost effectiveness
- Right size organization to provide Stability as well as responsiveness
- Agile, young and dynamic team with a hunger for excellence, supported by experienced and respected promoters & board of directors
- Consistent dividend (5 years in a row), with commitment to improving shareholder return
- Robust cash generation achieved in FY19-21, with clear visibility of cash generation over the next 3-5 years
- Net Debt Free

Strategic Transformation



- Over its 3-decade legacy, Onward Tech has developed an enviable working relationship with marquee companies like Caterpillar, Wabtec, GE, John Deere, Volkswagen, Cummins, JCB, Daimler, and many more.
- Onward Tech is consciously transforming its service offering from low margin traditional IT Services to high margin, high tech services in ER&D and Digital Transformation.
- IT services clients are being transitioned to Digital services gradually, and clients spend is increasing on digital transformation, which will also lead to margin expansion.
- The company's clear future growth strategy is to entrench deeper into the existing customers by investing in people and enhancing its capabilities and contributing more deeply towards their complex high tech digital transformation, mechanical engineering and embedded technology requirements.

Future Growth Strategy

New Capabilities

- Focus on newly established capabilities in Digital Transformation, Industrial IoT, and Industry 4.0
- Build capabilities in sector agnostic practices
- We have already made investments in the right technologies and people.

People: reskilling, hiring as per industry trends

Process: constant upgrade of internal systems to automate and improve efficiency

Margin Expansion

- Higher margin paying practices in Digital ER&D suite
- Strict focus on further improvement of bottom line i.e. profitability

International Business

- Increase share of overseas business from well-established US, UK, and Germany offices
- Robust pipeline for new deals with large global manufacturers

Focus

- Clear strategy for winning larger deals from existing customers and new customers in target markets: (North America, Europe & India)
- Focus on Operational excellence through Automation & simplifying our business model
- Bring the DSO down to 60 days in line with industry levels
- Deepen existing customer relationships, leverage “digital” into ER&D to become a one-stop-shop solution provider with end-to-end capabilities
- Exclusive focus on design thinking, digital transformation and product engineering
- Technical collaborations & partnerships
- Increase the wallet share from the large 25 OEMs
- Win more clients in Healthcare & Hi-tech segment

Financials

- Increase wallet share from existing clients
- M&A – capability acquisition strategy
- Positive cash flow over the years



FY21/Q4-FY21
FINANCIAL OVERVIEW



FY21/Q4-FY21 Key Financial Highlights

Q4-FY21 Standalone Financial Performance

INR 497 Mn

Revenue from
Operations

INR 41 Mn

EBITDA

8.25%

EBITDA Margins

INR 29 Mn

PAT

5.84%

PAT Margins

INR 1.75/share

Diluted EPS

Q4-FY21 Consolidated Financial Performance

INR 663 Mn

Revenue from
Operations

INR 38 Mn

EBITDA

5.73%

EBITDA Margins

INR 21 Mn

PAT

3.17%

PAT Margins

INR 1.27/share

Diluted EPS

FY21 Standalone Financial Performance

INR 1,727 Mn

Revenue from
Operations

INR 196 Mn

EBITDA

11.35%

EBITDA Margins

INR 127 Mn

PAT

7.35%

PAT Margins

INR 7.50/share

Diluted EPS

FY21 Consolidated Financial Performance

INR 2,404 Mn

Revenue from
Operations

INR 173 Mn

EBITDA

7.20%

EBITDA Margins

INR 74 Mn

PAT

3.08%

PAT Margins

INR 4.35/share

Diluted EPS

Operational Highlights

Q4-FY21 Standalone:

- Standalone Revenues witnessed healthy double digit growth on both QoQ and YoY basis due to increase the wallet share from existing growth clients.
- Standalone EBITDA Margins have declined due to increase in employee costs for strengthening delivery and sales team.

Q4-FY21 Consolidated:

- Q4-FY21 revenue increased by 15% QoQ due to an increase in demand from existing growth clients, while the low growth YoY is primarily due to exiting of low margin work in the international markets.
- During the quarter the company added 5 new customers.
- During the quarter and year, the company has received INR 40 Mn and INR 143 Mn respectively, as refunds from Income Tax Department.

FY21 Consolidated:

- During the year the company received funds under the Paycheck Protection Program ("PPP") in the USA to the tune of \$ 2mn (INR 14.6 Cr). After receipt of the approval for forgiveness of Loan from the regulatory authorities, this amount and interest there on will be represented as Income in the statement of profit & loss account in the corresponding quarter. **It is important to note that if the waiver had come through in the current financial year, the actual consolidated EBITDA margin would have been reported at 13.3% and not 7.2%.**
- The board of directors has recommended a final dividend of Rs. 3/Share for the year 2020-21, subject to shareholders approval.

Future Growth Outlook

- The future growth outlook continues to remain positive due to increasing demand from Top 20 customers.
- An increase in orders from the healthcare industry has been witnessed during the quarter, and the company is positive that healthcare segment will be a significant contributor to revenues in coming years.
- The Company is also seeing significant opportunity in Embedded and Digital line of services and plans to increase focus to meet client demands.
- During the quarter the company has also set up new offices in Amsterdam, Netherlands and plans to setup another office in Toronto, Canada to increase the global geographical footprint and garner new potential customers from these geographies
- The newly inducted sales team for USA have been completely aligned with offshore delivery team, which will result in increasing the offshore revenue & boost margins as well.
- Onward Tech has added various global marquee companies as customers during the year which are expected to become million dollar account in the future.

Q4-FY21 Standalone Income Statement (IND-AS)

Particulars (INR Mn)	Q4-FY21	Q4-FY20	Y-O-Y	Q3-FY21	Q-O-Q
Operational Income	497	439	13.21%	424	17.22%
Total Expenses	456	454	0.44%	370	23.24%
EBITDA	41	(15)	NA	54	(24.07)%
<i>EBITDA Margins (%)</i>	<i>8.25%</i>	<i>NA</i>	<i>NA</i>	<i>12.74%</i>	<i>(448)Bps</i>
Other Income	25	8	NA	24	4.17%
Depreciation	22	25	(12.00)%	21	4.76%
Finance Costs	4	7	(42.86)%	6	(33.33)%
PBT	40	(39)	NA	51	(21.57)%
Tax	11	(9)	NA	13	(15.38)%
Profit After tax	29	(30)	NA	38	(23.68)%
<i>PAT Margins (%)</i>	<i>5.84%</i>	<i>NA</i>	<i>NA</i>	<i>8.96%</i>	<i>(312) Bps</i>
Other Comprehensive Income	1	4	(75.00)%	(1)	NA
Total Comprehensive Income	30	(26)	NA	37	(18.92)%
Diluted EPS (INR)	1.75	(1.79)	NA	2.21	(20.81)%

FY21 Standalone Income Statement (IND-AS)

Particulars (INR Mn)	FY21	FY20	Y-O-Y
Operational Income	1,727	1,806	(4.37)%
Total Expenses	1,531	1,660	(7.77)%
EBITDA	196	145	35.17%
<i>EBITDA Margins (%)</i>	<i>11.35%</i>	<i>8.03%</i>	<i>332 Bps</i>
Other Income	85	65	30.76%
Depreciation	93	102	(8.82)%
Finance Costs	21	33	(36.36)%
PBT	167	75	NA
Tax	40	21	90.48%
Profit After tax	127	54	NA
<i>PAT Margins (%)</i>	<i>7.35%</i>	<i>2.99%</i>	<i>436 Bps</i>
Other Comprehensive Income	1	3	(66.67)%
Total Comprehensive Income	128	57	NA
Diluted EPS (INR)	7.50	3.26	NA

Q4-FY21 Consolidated Income Statement (IND-AS)

Particulars (INR Mn)	Q4-FY21	Q4-FY20	Y-O-Y	Q3-FY21	Q-O-Q
Operational Income	663	656	1.07%	578	14.71%
Total Expenses	625	662	(5.59)%	539	15.96%
EBITDA	38	(6)	NA	39	(2.56)%
<i>EBITDA Margins (%)</i>	<i>5.73%</i>	<i>NA</i>	<i>NA</i>	<i>6.75%</i>	<i>102 bps</i>
Other Income	20	2	NA	22	(9.09)%
Depreciation	25	27	(7.41)%	24	4.17%
Finance Costs	4	8	(50.00)%	6	(33.33)%
PBT	29	(39)	NA	31	(6.45)%
Tax	8	(9)	NA	8	NA
Profit After tax	21	(30)	NA	23	(8.70)%
<i>PAT Margins (%)</i>	<i>3.17%</i>	<i>NA</i>	<i>NA</i>	<i>3.98%</i>	<i>(81) bps</i>
Other Comprehensive Income	3	12	(75.00)%	(2)	NA
Total Comprehensive Income	24	(18)	NA	21	14.29%
Diluted EPS (INR)	1.27	(1.78)	NA	1.39	(8.63)%

FY21 Consolidated Income Statement (IND-AS)

Particulars (INR Mn)	FY21	FY20	Y-O-Y
Operational Income	2,404	2,715	(11.45)%
Total Expenses	2,231	2,482	(10.11)%
EBITDA	173	233	(25.75)%
<i>EBITDA Margins (%)</i>	<i>7.20%</i>	<i>8.58%</i>	<i>(138) Bps</i>
Other Income	53	11	NA
Depreciation	104	113	(7.96)%
Finance Costs	23	35	(34.29)%
PBT	99	96	3.13%
Tax	25	34	(26.47)%
Profit After tax	74	62	19.35%
<i>PAT Margins (%)</i>	<i>3.08%</i>	<i>2.28%</i>	<i>80 Bps</i>
Other Comprehensive Income	(3)	19	NA
Total Comprehensive Income	71	81	(12.35)%
Diluted EPS (INR)	4.35	3.76	15.69%

HISTORICAL FINANCIAL OVERVIEW



Historical Standalone Profit & Loss

Particulars (INR Mn)	FY18	FY19	FY20*	FY21*
Operational Income	1,066	1,182	1,806	1,727
Total Expenses	1,030	1,032	1,660	1,531
EBITDA	36	150	145	196
<i>EBITDA Margins (%)</i>	<i>3.38%</i>	<i>12.69%</i>	<i>8.03%</i>	<i>11.35%</i>
Other Income	65	50	65	85
Depreciation	46	48	102	93
Finance Costs	22	21	33	21
PBT	33	131	75	167
Tax	11	37	21	40
Profit After tax	22	94	54	127
<i>PAT Margins (%)</i>	<i>2.06%</i>	<i>7.95%</i>	<i>2.99%</i>	<i>7.35%</i>
Other Comprehensive Income	(1)	(4)	3	1
Total Comprehensive Income	21	90	57	128
Diluted EPS (INR)	1.33	5.70	3.26	7.50

* 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
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	75	70	164
Intangible assets	56	41	39
Intangible assets under development	2	-	1
Right of use asset	-	146	83
Financial Assets			
(i) Investments	388	121	121
(ii) Loans	20	29	23
Deferred tax assets	5	27	23
Income tax assets (net)	101	193	111
Other non-current assets	4	1	5
Sub Total Non Current Assets	651	628	570
Current Assets			
Financial Assets			
(i) Trade Receivables	215	339	283
(ii) Cash & cash equivalents	21	75	119
(iii) Bank balance other than above	3	42	10
(iv) Contract assets	36	32	127
(v) Other financial assets	21	3	2
Other Current Assets	33	58	61
Sub Total Current Assets	329	549	602
TOTAL ASSETS	980	1,178	1,172

Particulars (INR Mn)	FY19	FY20	FY21
EQUITY AND LIABILITIES			
Equity			
Share Capital	158	160	163
Other Equity	454	455	573
Total Equity	612	615	736
Non Current Liabilities			
(i) Borrowings	1	-	6
(ii) Lease liabilities	-	104	55
Employee benefit obligations	21	25	46
Sub Total Non Current Liabilities	22	129	107
Current Liabilities			
(i) Borrowings	161	68	-
(ii) Trade Payables	46	96	78
(iii) Other Financial Liabilities	79	92	126
(iv) Lease Liabilities	-	48	38
Provisions	9	20	11
Contract liabilities	24	58	28
Other current liabilities	27	52	48
Sub Total Current Liabilities	346	434	329
Sub Total Liabilities	368	563	436
TOTAL EQUITY and LIABILITIES	980	1,178	1,172

Historical Consolidated Profit & Loss

Particulars (INR Mn)	FY18	FY19	FY20*	FY21*
Operational Income	2,445	2,610	2,715	2,404
Total Expenses	2,333	2,386	2,482	2,231
EBITDA	112	224	233	173
<i>EBITDA Margins (%)</i>	<i>4.58%</i>	<i>8.58%</i>	<i>8.58%</i>	<i>7.20%</i>
Other Income	48	12	11	53
Depreciation	55	57	113	104
Finance Costs	30	27	35	23
PBT	75	152	96	99
Tax	8	51	34	25
Profit After tax	67	101	62	74
<i>PAT Margins (%)</i>	<i>2.74%</i>	<i>3.87%</i>	<i>2.28%</i>	<i>3.08%</i>
Other Comprehensive Income	1	8	19	(3)
Total Comprehensive Income	68	109	81	71
Diluted EPS (INR)	4.07	6.17	3.76	4.35

* 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.

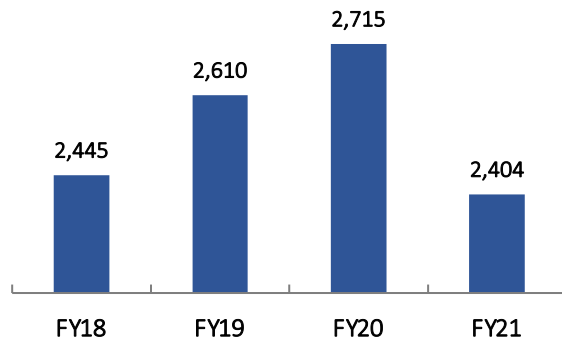
Historical Consolidated Balance Sheet

Particulars (INR Mn)	FY19	FY20	FY21
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	98	80	171
Intangible assets	57	41	39
Intangible assets under development	2	-	1
Right of use asset	-	159	88
Financial Assets			
(i) Loans	29	30	31
Deferred tax assets	17	28	33
Income tax assets (net)	158	193	111
Other non-current assets	6	2	-
Sub Total Non Current Assets	367	533	474
Current Assets			
Financial Assets			
(i) Trade Receivables	489	498	408
(ii) Cash & cash equivalents	43	178	285
(iii) Bank balance other than above	8	44	9
(iv) Contract assets	86	42	134
(v) Other financial assets	11	1	2
Income tax assets (net)	19	-	-
Other Current Assets	44	65	64
Sub Total Current Assets	700	828	902
TOTAL ASSETS	1,067	1,361	1,376

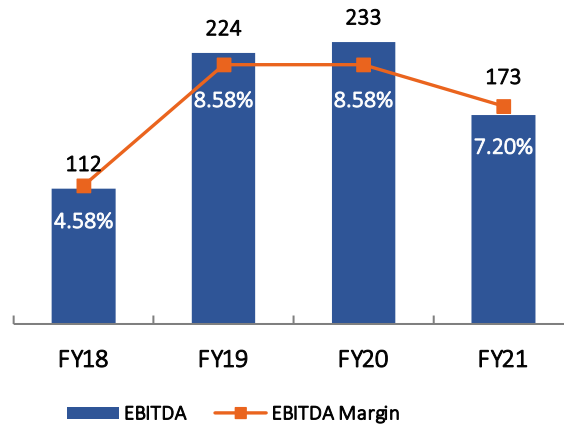
Particulars (INR Mn)	FY19	FY20	FY21
EQUITY AND LIABILITIES			
Equity			
Share Capital	158	160	163
Other Equity	452	520	581
Total Equity	610	680	744
Non Current Liabilities			
(i) Borrowings	6	-	6
(ii) Lease liabilities	-	109	55
Employee benefit obligations	34	25	48
Deferred tax liabilities	5	7	-
Sub Total Non Current Liabilities	45	141	109
Current Liabilities			
(i) Borrowings	155	181	146
(ii) Trade Payables	61	76	72
(iii) Other Financial Liabilities	141	133	151
(iv) Lease Liabilities	-	57	43
Provisions	10	21	14
Income tax liabilities	-	5	-
Contract liabilities	1	5	30
Other current liabilities	44	62	67
Sub Total Current Liabilities	412	540	523
Sub Total Liabilities	457	681	632
TOTAL EQUITY AND LIABILITIES	1,067	1,361	1,376

Consolidated Financial Highlights

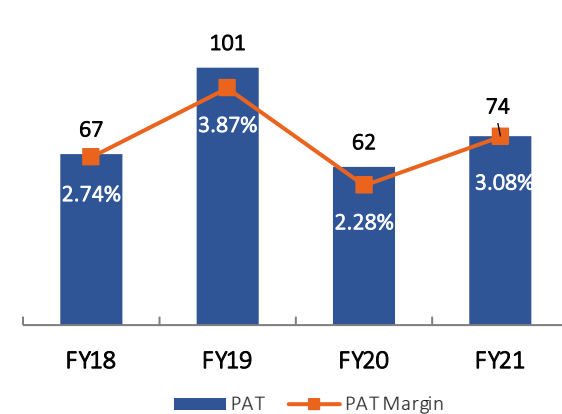
Revenue (INR Mn)



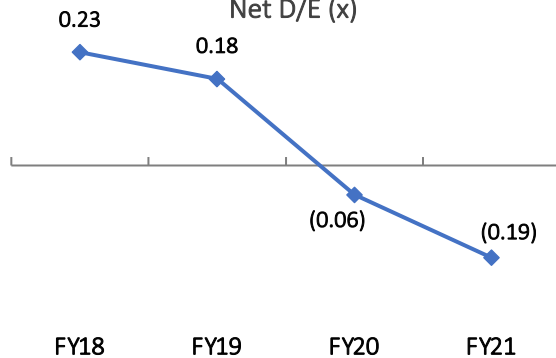
EBITDA (INR Mn)



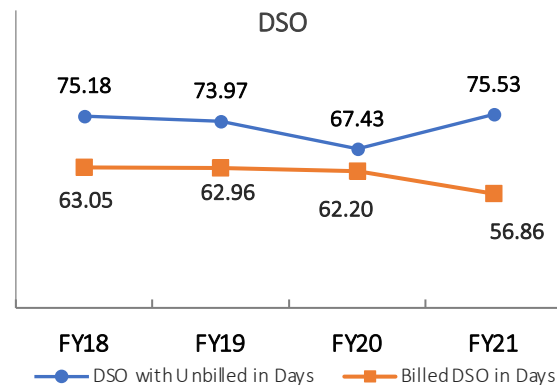
PAT (INR Mn)



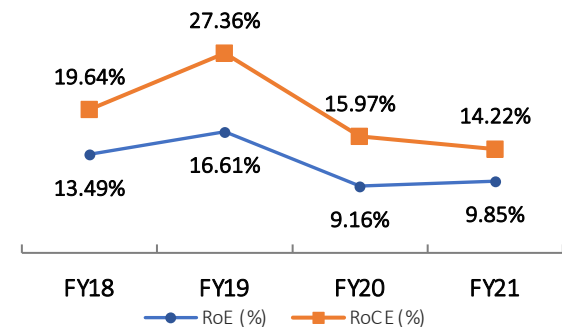
Net D/E (x)



DSO

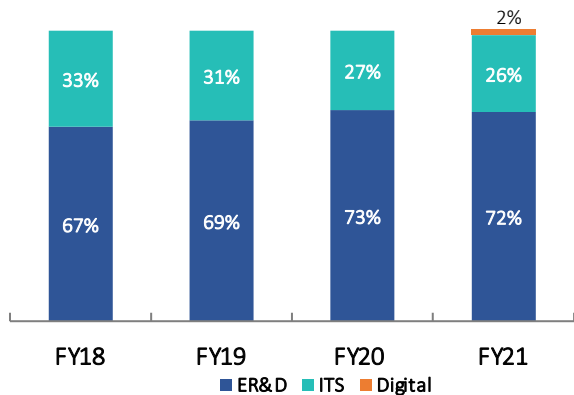


ROE and ROCE (%)

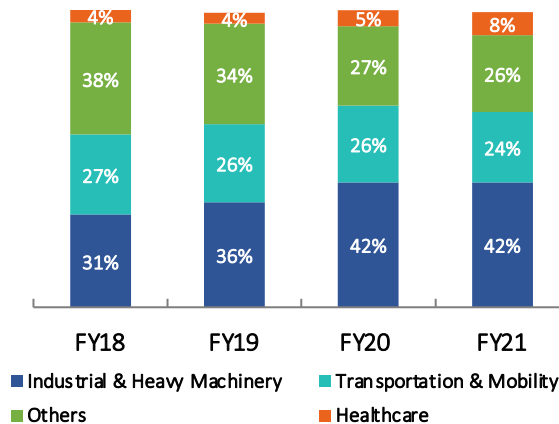


Key Metrics (Consolidated)

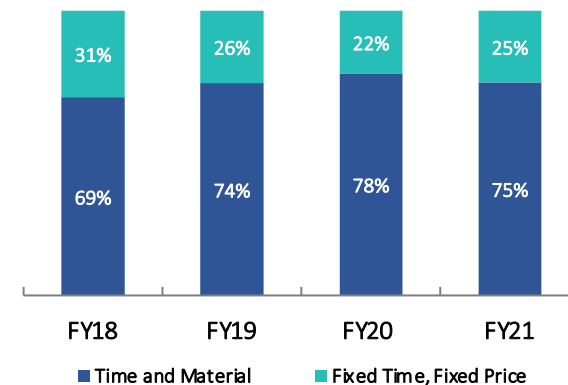
Revenue by Business



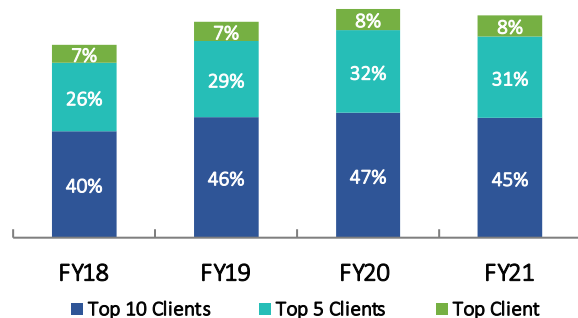
Revenue by Industry



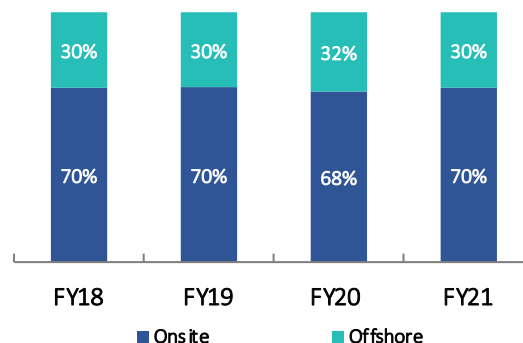
Revenue by Contract Type



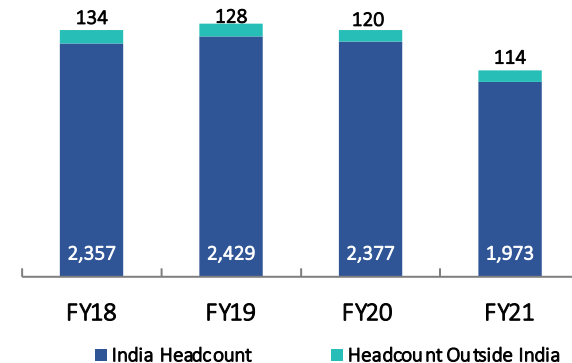
Revenue by Client



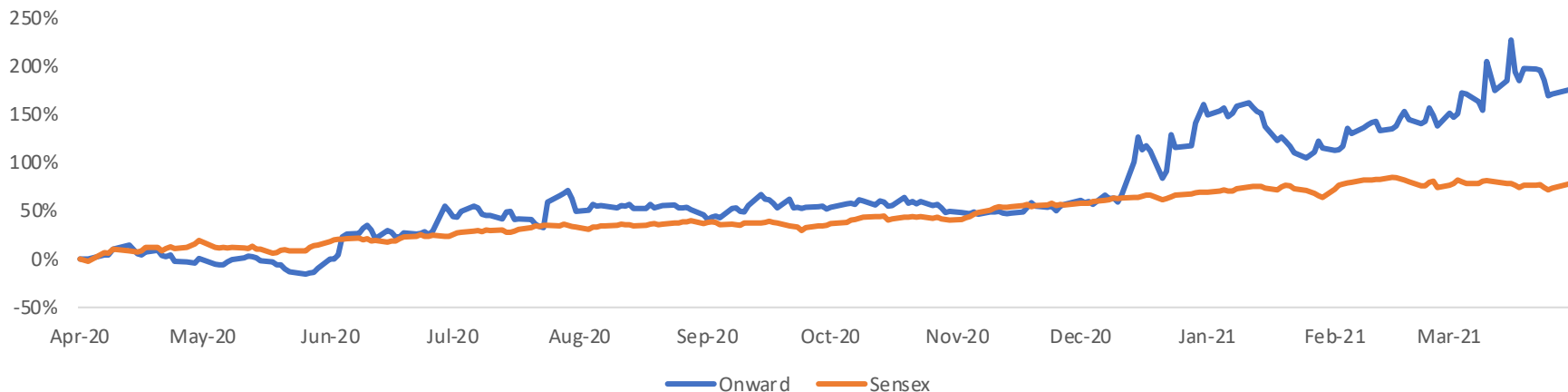
Revenue Mix



Employees Metrics



Capital Market Data

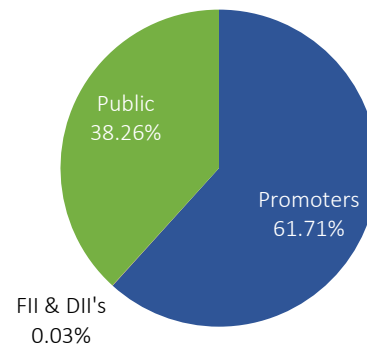


Price Data (As of 31st March 2021)*

Face Value	10.0
Market Price	113.2
52 Week H/L	137.9/34.6
Market Cap (INR Mn)	1,849.5
Equity Shares Outstanding (Mn)	16.3
1 Year Avg. Trading Volume ('000)	126.4
1 Year Avg. Net Turnover (Mn)	11.7

* Source: BSE and NSE

Shareholding Pattern (as on 31st March 2021)



Onward Technologies Limited

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