



INVESTOR PRESENTATION

September 2022

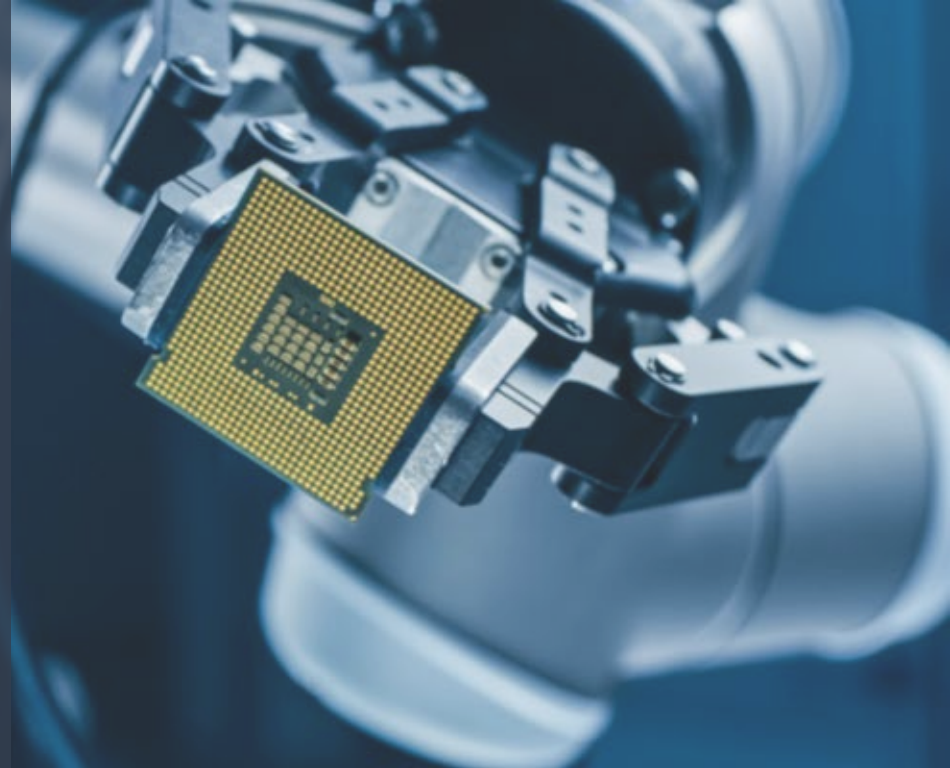


WHO WE ARE

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

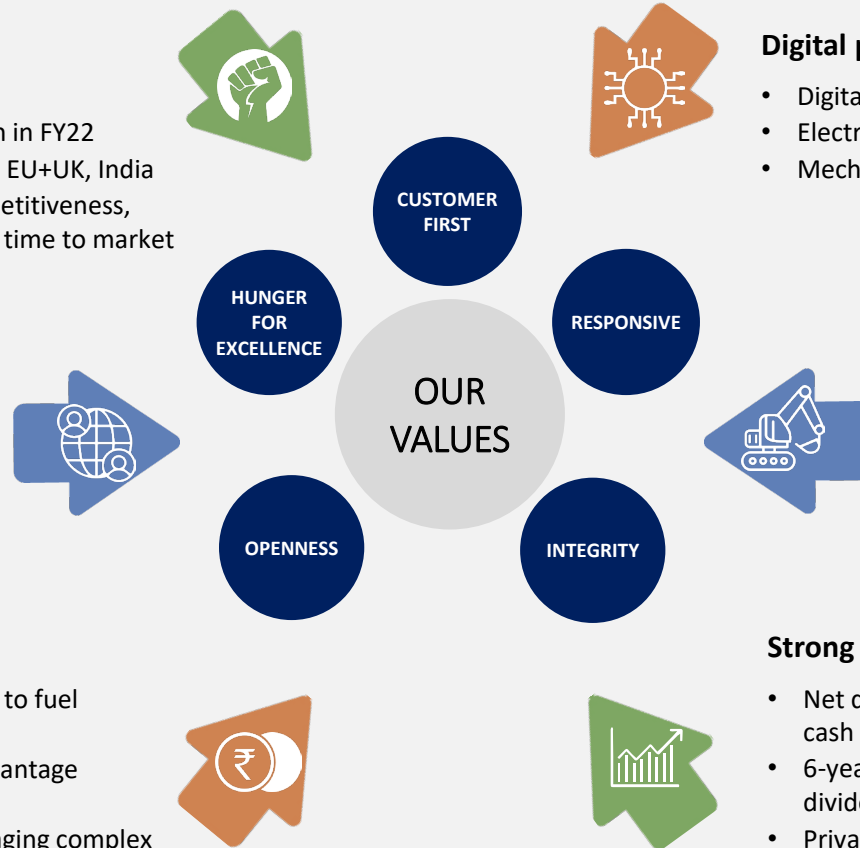
- A diverse team of 3000+ employees
- Delivered 28% y-o-y revenue growth in FY22
- 15 offices across 6 countries in USA, EU+UK, India
- Focused on enhancing clients' competitiveness, total returns on R&D investments & time to market

Global 2000 customers

- A tech-partner positioned as an extended R&D team for large companies
- Geographical focus: USA, EU, UK
- Top 25 clients contributing 73% of revenue in Q1 FY 2023

Geared for double-digit growth

- Strong customer base, relationships to fuel double digit growth in top-line
- Margin expansion through India advantage (talent pyramid, costs)
- Agile, flexible team capable of managing complex digital & engineering transformation projects



Digital play across all lines of business

- Digital Engineering and Outsourcing
- Electronics and Embedded services
- Mechanical Engineering Services

2 Focused industry verticals

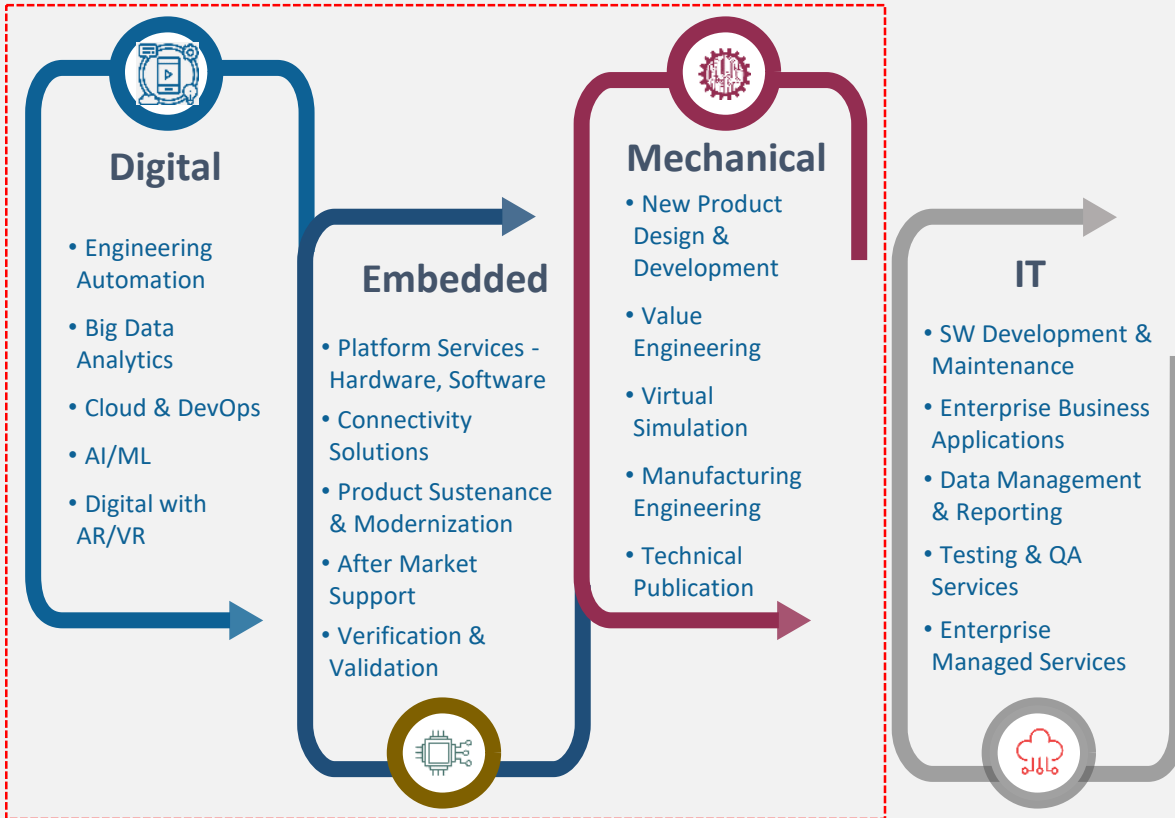
- Transportation & Mobility
- Industrial Equipment & Heavy Machinery
- Diversification and investment in Healthcare & MedTech

Strong balance sheet

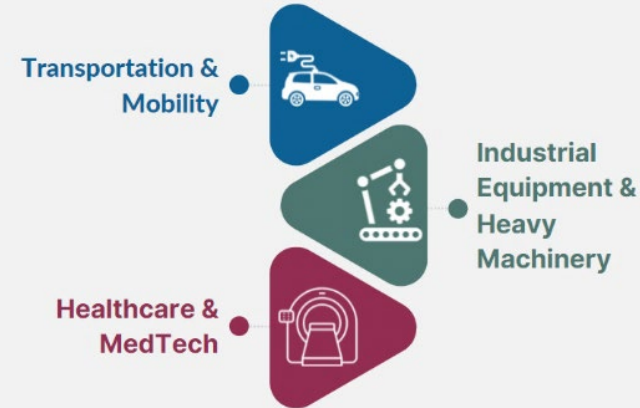
- Net debt-free, sound balance sheet & cash reserves
- 6-year track-record of consistent dividend payout
- Private Equity: Infinity Direct Holdings (Convergent Finance)

Lines of business driving future growth

Lines of business



Focus verticals



Lines of business driving future growth

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



Parish Meghani - *Director*

Experience: 15+ Years

Other Engagements: Bangalore Spokes Pvt. Ltd.

Education: MBA, Product Engineering



Rahul Rathi - *Director*

Experience: 16 Years

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

Education: MBA, Polymer Engineering



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



Jigar H. Mehta - *Managing Director*

Experience: 19 Years

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



Jay Sonawala - *Director*

Experience: 22 Years

Other Engagements: HDFC Bank

Education: MMS- Finance, B.Com



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



Harsha Raghavan - *Director*

Experience: 25 Years

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



Nirmala Bhat – *SVP – Client Engagements*

Experience: ~21 years

Previous Stint: Altran, Safran

Education: BSc / Masters in HRM



Pramod Patil - *EVP – Sales (UK and Netherlands Business)*

Experience: ~32 years

Previous Stint: JCB, John Deere

Education: BE / MBA / Executive MBA



Rajesh Nikam – *SVP – Delivery*

Experience: ~30 years

Previous Stint: LTTS, Tata Elxsi

Education: BE

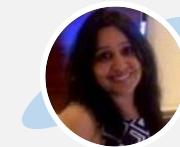


Satish Ramanan - *EVP (India Business)*

Experience: ~32 years

Previous Stint: Teradata, Siemens

Education: MCom / MBA



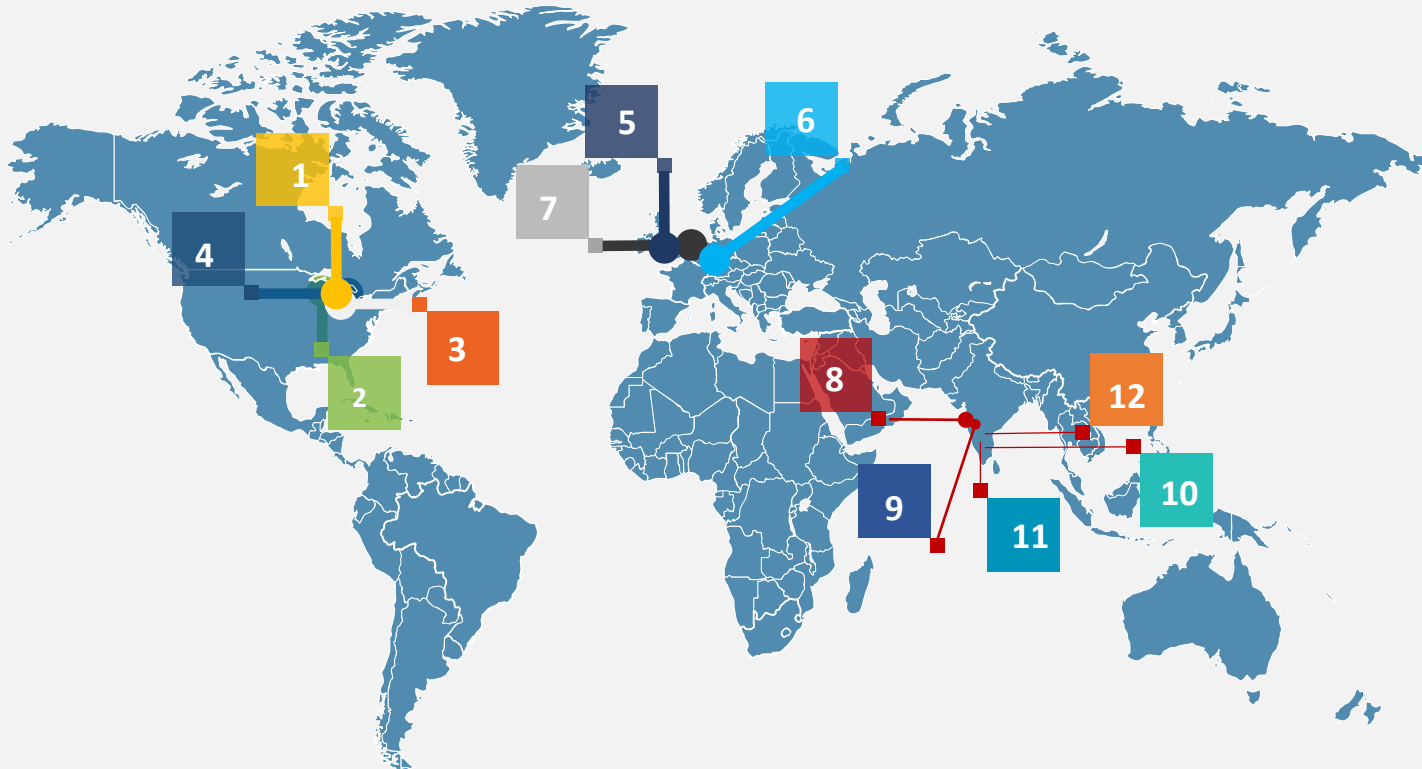
Sujata Singh - *EVP and Global Head - HR*

Experience: ~21 years

Previous Stint: Aker Powergas, WNS

Education: MBA

Strategic presence across geographies



1	Detroit, MI
2	Cleveland, OH
3	Chicago, IL
4	Toronto, ON
5	London, UK
6	Frankfurt, DE
7	Amsterdam, NL
8	Mumbai, IN (Corporate HQ)
9	Pune (3 COEs*)
10	Chennai, IN
11	Bengaluru, IN
12	Hyderabad, IN

*COE: Centre of excellence

Transformation: Legacy to NEW business

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

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

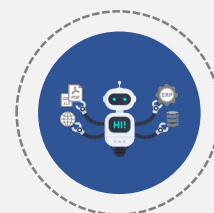
Challenge/s

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

Our team with a client in Illinois



Our team with a client in Indiana



Management team of our International Business Unit

Our team at the launch of TAP initiative



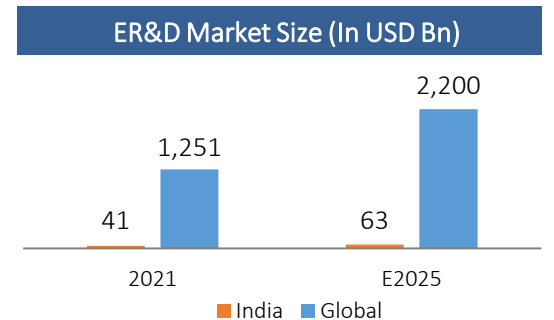
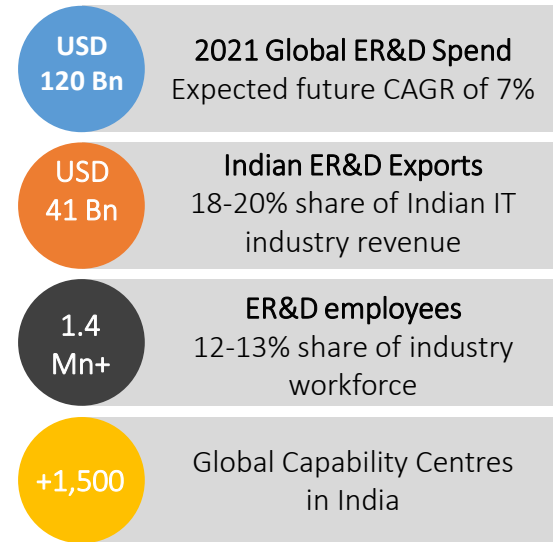
Our team at a supplier conference in USA



OTL wins HR Award in Bengaluru: Sep 2022

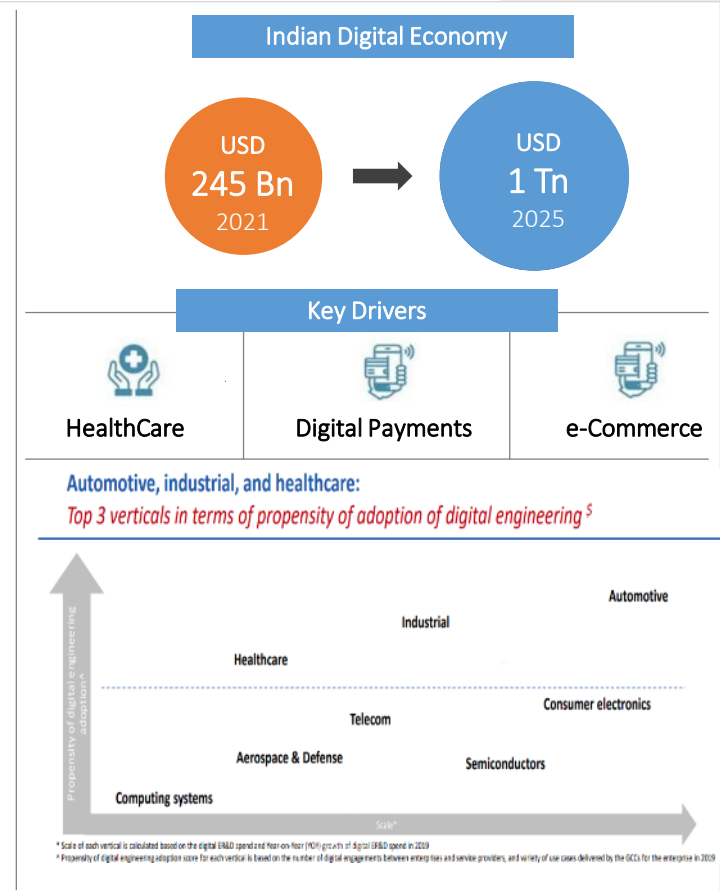
Engineering R&D Service Industry

- The year 2021 paved way for an increased focus on ER&D function to drive solutions for challenges related to talent shortage, supply chain diversification, research to fuel growth and meeting rising consumer demand.
- The spend on ER&D from top 1,000 corporates increased significantly in 2021 which was a positive shift from 2020 when investments in ER&D were impacted adversely due to the onset of COVID-19 pandemic.
- E R&D spend rebound in 2021 with 7% growth to reach USD 1.25 trillion
- The renewed interest in R&D led growth has shifted the focus on identifying the most suitable locations to expand ER&D operations. The level of maturity associated with a location to facilitate digital transformation and readiness to implement hybrid working models also feature prominently in the location strategies of companies to set up ER&D delivery centers.
- At USD 827 Billion, businesses led E R&D spending accounted for two-third of total E R&D spend, with the spend in the APAC region expected to exceed Europe over the next few years, facilitated by increasing spend from the public sector.
- India continued among one of the leading E R&D sourcing destinations with the country's E R&D sourcing market valued at USD 40-41 Billion in 2021. India accounted for a third of the global USD 120 Billion E R&D sourcing market.
- E R&D GCC's have matured to drive end-to-end ownership for products. From executing less complex engineering work to achieve cost reduction, the E R&D GCC's have become innovation centers and strategic partners developing new products and owning the entire product value chain as well as driving global innovation and developing future technologies and domains such as AI/ML, IoT, automation and robotics.
- E R&D talent accounts for 42% of the 1.38 Mn GCC talent pool in India in 2021.
- Not only did this sector emerge out of a negative growth year (FY2021), but driven by pent-up demand, ER&D is likely to see ~17% revenue growth in FY2022, the most since FY2014



Digital Transformation

- Global digital engineering is expected to reach USD 385 Billion by 2025, growing at a CAGR of over 11% between 2019 and 2025.
- The growth is expected due to new data-driven business models and high demand for digital solutions and build connected products and services.
- Key industries for growth in digital engineering expenditure include software and internet, industrial, telecom, consumer electronics and automobile.
- By 2025, digital technologies are estimated to comprise 40% of all manufacturing tech spend
- Indian Manufacturing has Started Pivoting to Digitalization, with \$5.5 - \$6.5 Bn Spent on Industry 4.0 in FY21
- 50% of the tech spend by Indian manufacturers is on Industry 4.0 technologies, a high proportion, but from a fraction of the sector's total representation 50% of the Industry 4.0 spend is on foundational tech - Cloud and IoT.
- Today, the share of digital to total revenue stands at 30-32% with 1 in 3 employees being digitally skilled stamping India's position as the Global Digital Talent Nation. These factors have pushed India's share in global sourcing market to 59% - a testament to India's new tech value proposition.
- Even as enterprises continue to balance the twin priorities of employee safety and wellness and enterprise digital transformation, they plan to spend big on digital – 60% companies plan 6% higher technology spend in FY2022.
- 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 245 Billion in 2021.



FINANCIAL OVERVIEW



Historical Consolidated Profit & Loss

Particulars (INR Mn)	FY20*	FY21*	FY22	Q1-FY23
Operational Income	2,715	2,404	3,073	937
Total Expenses	2,482	2,230	2,859	908
EBITDA	233	172	214	29
EBITDA Margins (%)	8.58%	7.15%	6.96%	3.10%
Other Income	11	53	215	21
Depreciation	113	104	101	31
Finance Costs	35	23	10	4
PBT	96	98	318	15
Tax	34	25	81	3
Profit After tax	62	73	237	12
PAT Margins (%)	2.28%	3.04%	7.71%	1.28%
Other Comprehensive Income	19	(3)	(7)	15
Total Comprehensive Income	81	70	230	27
Diluted EPS (INR)	3.76	4.35	12.17	0.53

* 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)	FY20	FY21	FY22	Particulars (INR Mn)	FY20	FY21	FY22
ASSETS				EQUITY AND LIABILITIES			
Non-Current Assets				Equity			
Property, Plant & Equipment	80	171	366	Share Capital	160	163	220
Intangible assets	41	39	26	Other Equity	520	581	1,412
Intangible assets under development	-	1	-	Total Equity	680	744	1,632
Right of use asset	159	88	175	Non Current Liabilities			
Financial Assets				(i) Borrowings	-	6	5
(i) Loans	30	31	28	(ii) Lease liabilities	109	55	109
Deferred tax assets	28	33	28	Provisions	25	48	34
Income tax assets (net)	193	111	179	Deferred tax liabilities	7	-	32
Other non-current assets	2	-	11	Sub Total Non Current Liabilities	141	109	180
Sub Total Non Current Assets	533	474	813	Current Liabilities			
Current Assets				(i) Borrowings	181	146	1
Financial Assets				(ii) Trade Payables	76	72	115
(i) Investment	-	1	-	(iii) Other Financial Liabilities	133	151	203
(ii) Trade Receivables	498	408	666	(iv) Lease Liabilities	57	43	72
(iii) Cash & cash equivalents	178	285	495	Provisions	21	14	15
(iv) Bank balance other than above	44	9	109	Income tax liabilities	5	-	-
(v) Contract assets	42	134	119	Contract liabilities	5	30	16
(vi) Other financial assets	1	1	4	Other current liabilities	62	67	60
Other Current Assets	65	64	88	Sub Total Current Liabilities	540	523	482
Sub Total Current Assets	828	902	1,481	Sub Total Liabilities	681	632	662
TOTAL ASSETS	1,361	1,376	2,294	TOTAL EQUITY AND LIABILITIES	1,361	1,376	2,294

Historical Standalone Profit & Loss

Particulars (INR Mn)	FY20*	FY21*	FY22	Q1-FY23
Operational Income	1,806	1,727	2,344	691
Total Expenses	1,660	1,531	2,168	652
EBITDA	145	196	176	39
EBITDA Margins (%)	8.03%	11.35%	7.51%	5.64%
Other Income	65	85	56	29
Depreciation	102	93	92	30
Finance Costs	33	21	10	4
PBT	75	167	130	34
Tax	21	40	37	6
Profit After tax	54	127	93	28
PAT Margins (%)	2.99%	7.35%	3.97%	4.05%
Other Comprehensive Income	3	1	(5)	(1)
Total Comprehensive Income	57	128	88	27
Diluted EPS (INR)	3.26	7.50	4.79	1.26

* 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.

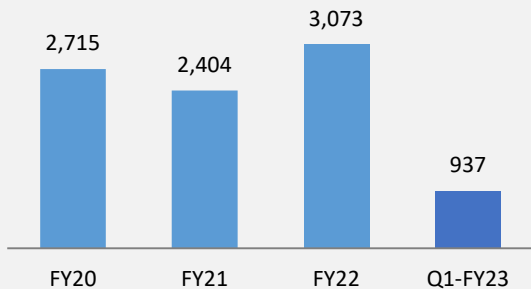
Historical Standalone Balance Sheet

Particulars (INR Mn)	FY20	FY21	FY22
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	70	164	184
Intangible assets	41	39	26
Intangible assets under development	-	1	-
Right of use asset	146	83	171
Financial Assets			
(i) Investments	121	121	320
(ii) Loans	29	-	-
(iii) Other Financial Assets		28	30
Deferred tax assets	27	23	21
Income tax assets (net)	193	111	176
Other non-current assets	1	-	12
Sub Total Non Current Assets	628	570	940
Current Assets			
Financial Assets			
(i) Investments		1	-
(ii) Trade Receivables	339	283	464
(iii) Cash & cash equivalents	75	119	395
(iv) Bank balance other than above	42	10	108
(v) Contract assets	32	127	146
(vi) Other financial assets	3	2	8
Other Current Assets	58	61	83
Sub Total Current Assets	549	602	1,204
TOTAL ASSETS	1,178	1,172	2,144

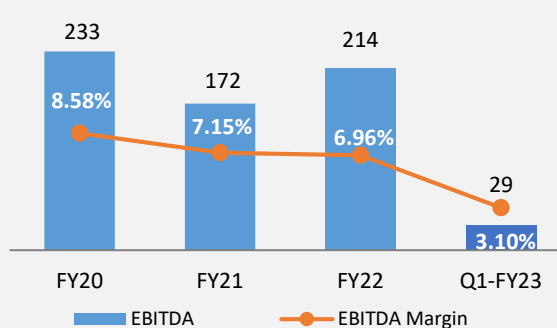
Particulars (INR Mn)	FY20	FY21	FY22
EQUITY AND LIABILITIES			
Equity			
Share Capital	160	163	220
Other Equity	455	573	1,262
Total Equity	615	736	1,482
Non Current Liabilities			
(i) Borrowings	-	6	5
(ii) Lease liabilities	104	55	113
Employee benefit obligations	25	46	34
Sub Total Non Current Liabilities	129	107	152
Current Liabilities			
(i) Borrowings	68	-	1
(ii) Trade Payables	96	78	97
(iii) Other Financial Liabilities	92	126	178
(iv) Lease Liabilities	48	38	64
Provisions	20	11	11
Contract liabilities	58	28	103
Other current liabilities	52	48	56
Sub Total Current Liabilities	434	329	510
Sub Total Liabilities	563	436	662
TOTAL EQUITY and LIABILITIES	1,178	1,172	2,144

Consolidated Financial Highlights

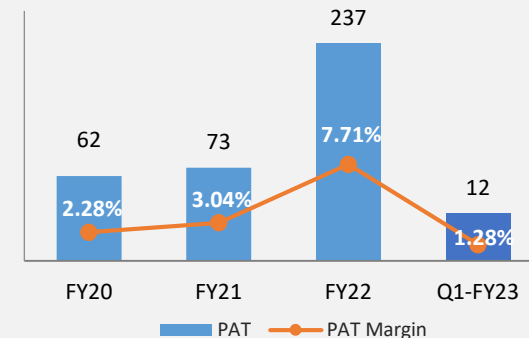
Revenue (INR Mn)



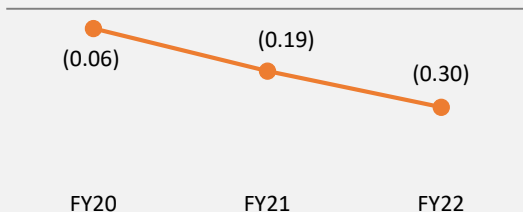
EBITDA (INR Mn) & EBITDA Margin (%)



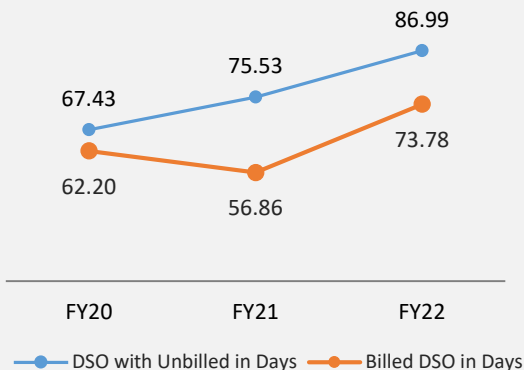
PAT (INR Mn) & PAT Margin (%)



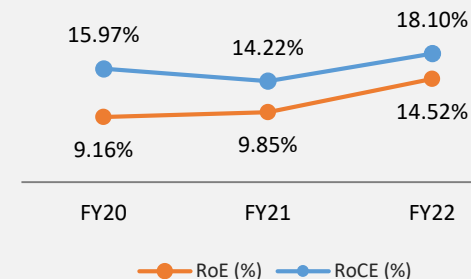
Net D/E (x)



DSO Days

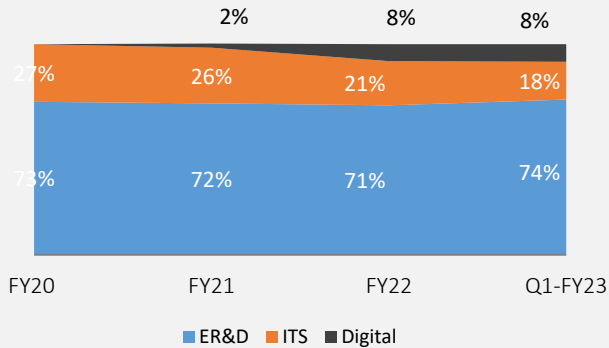


ROE and ROCE (%)

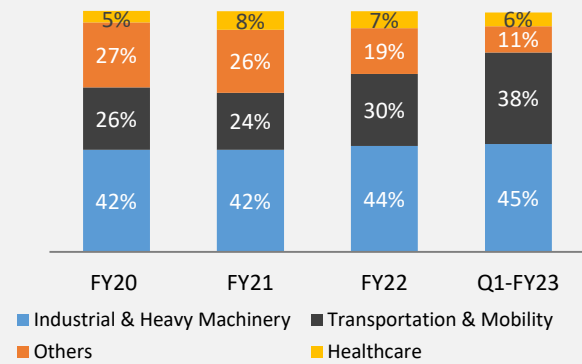


Revenue Metrics (Consolidated)

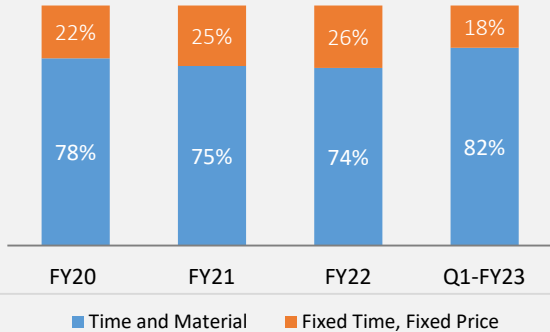
Revenue by Business (%)



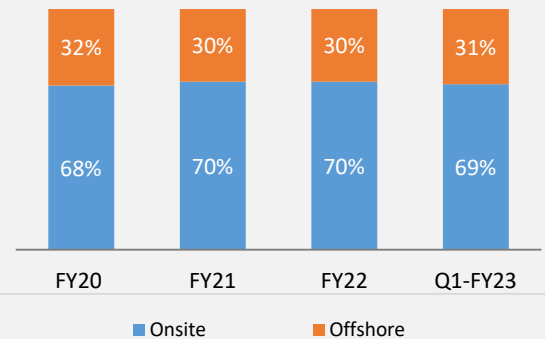
Revenue by Industry (%)



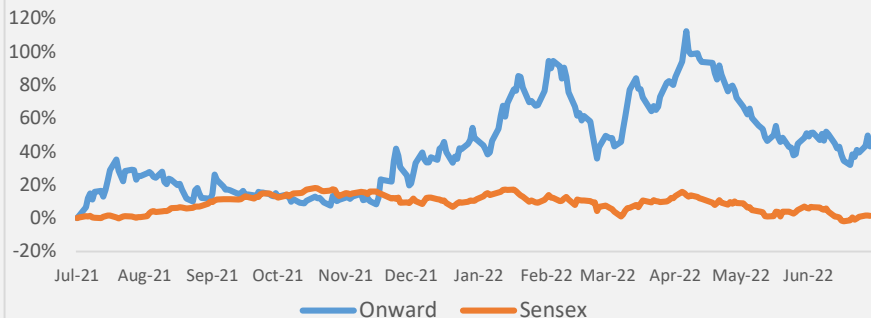
Revenue by Contract Type (%)



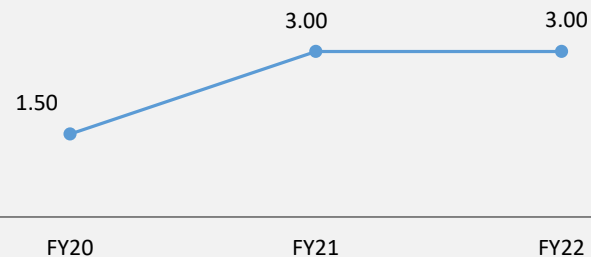
Revenue by Engagement Model (%)



Stock Market Performance (as on 30th June, 2022)



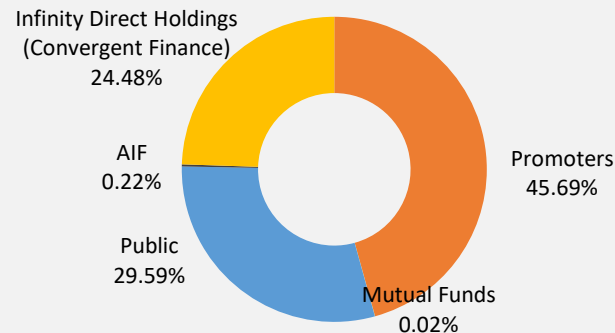
Dividend per Share (INR)



Price Data (as on 30th June, 2022)

Face Value	10.0
Market Price	279.1
52 Week H/L	428.2/193.1
Market Cap (INR Mn)	6,157.8
Equity Shares Outstanding (Mn)	22.07
1 Year Avg. Trading Volume ('000)	47.15
1 Year Avg. Net Turnover (Mn)	13.79

Shareholding Pattern (as on 30th June, 2022)



Onward Technologies Limited

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Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-4903 9500
Email: onward@valoremadvisors.com

THANK YOU

