



# Q4-FY22/FY22 EARNINGS PRESENTATION

May 2022

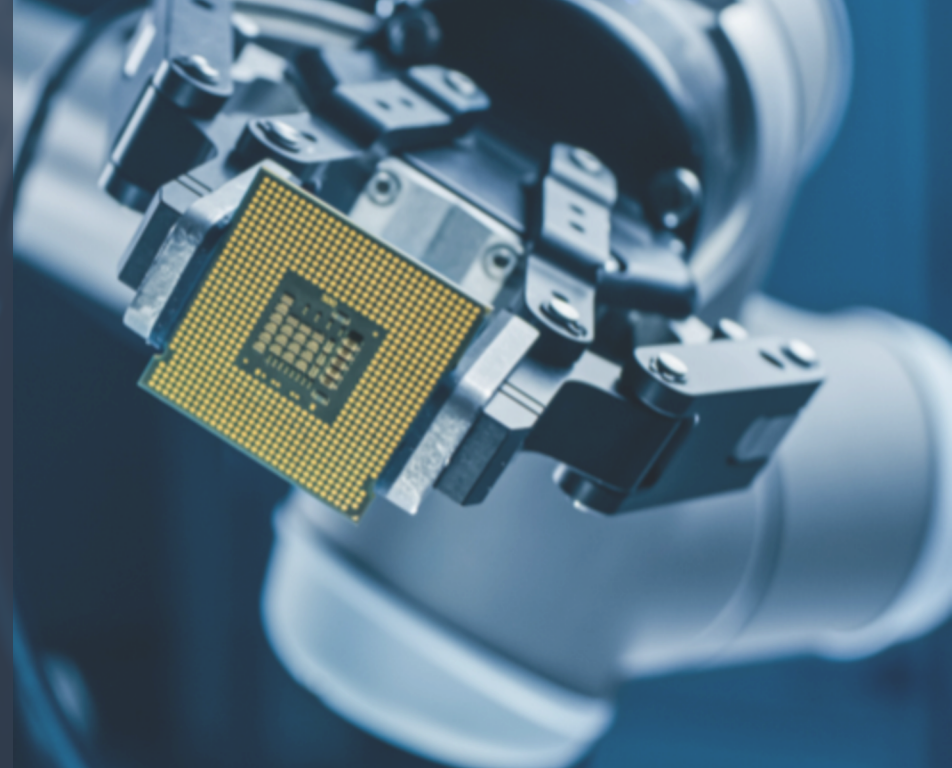


WHO WE ARE

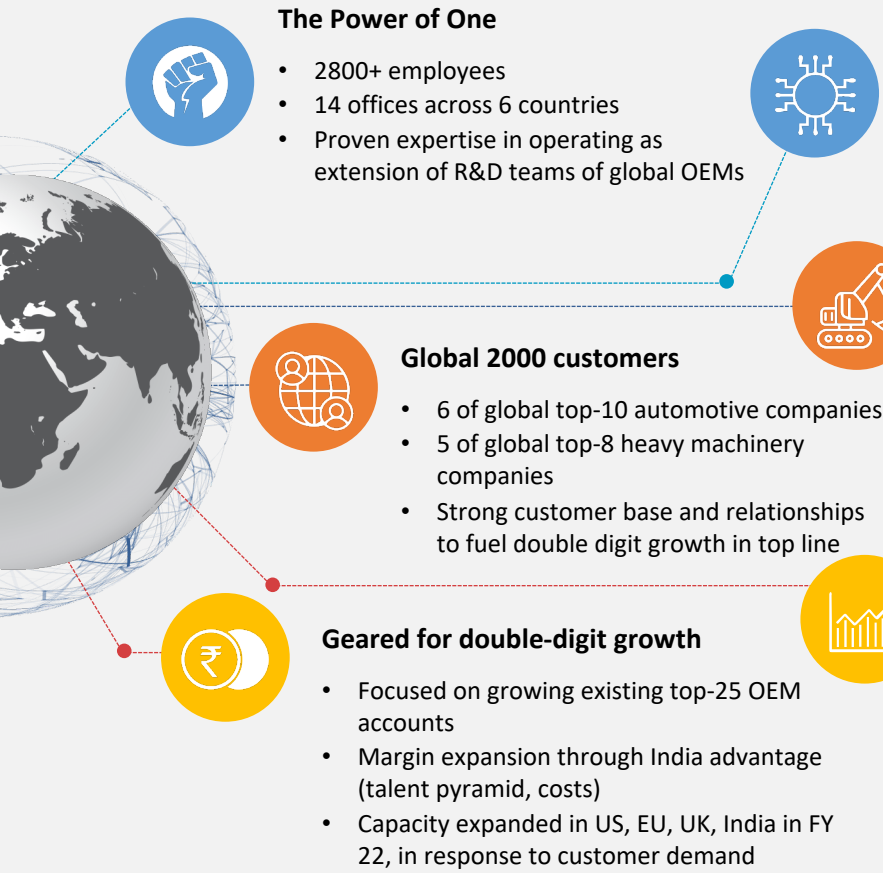
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# Onward Technologies

is a technology 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.



# Value proposition of onward tech



## The Power of One

- 2800+ employees
- 14 offices across 6 countries
- Proven expertise in operating as extension of R&D teams of global OEMs

## Digital play across all lines of business

- Digital engineering and outsourcing
- Electronics and Embedded
- Mechanical Engineering
- IT services

## 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

## 2 Focused industry verticals

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

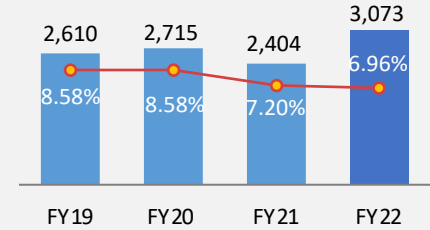
## Geared for double-digit growth

- Focused on growing existing top-25 OEM accounts
- Margin expansion through India advantage (talent pyramid, costs)
- Capacity expanded in US, EU, UK, India in FY 22, in response to customer demand

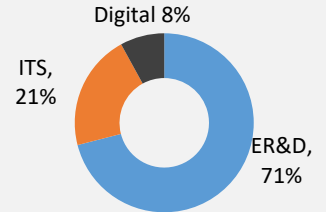
## Strong financial turnaround

- Net debt-free, sound balance sheet & cash reserves
- 3-year PAT CAGR at 33%
- 6-year track-record of consistent dividend payout

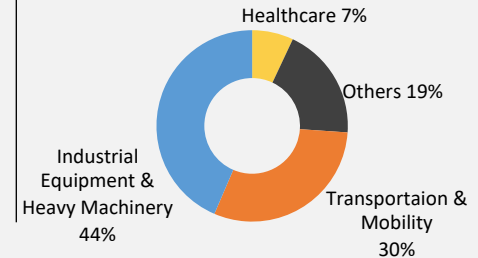
### Revenue (INR Mn) & EBITDA Margin (%)

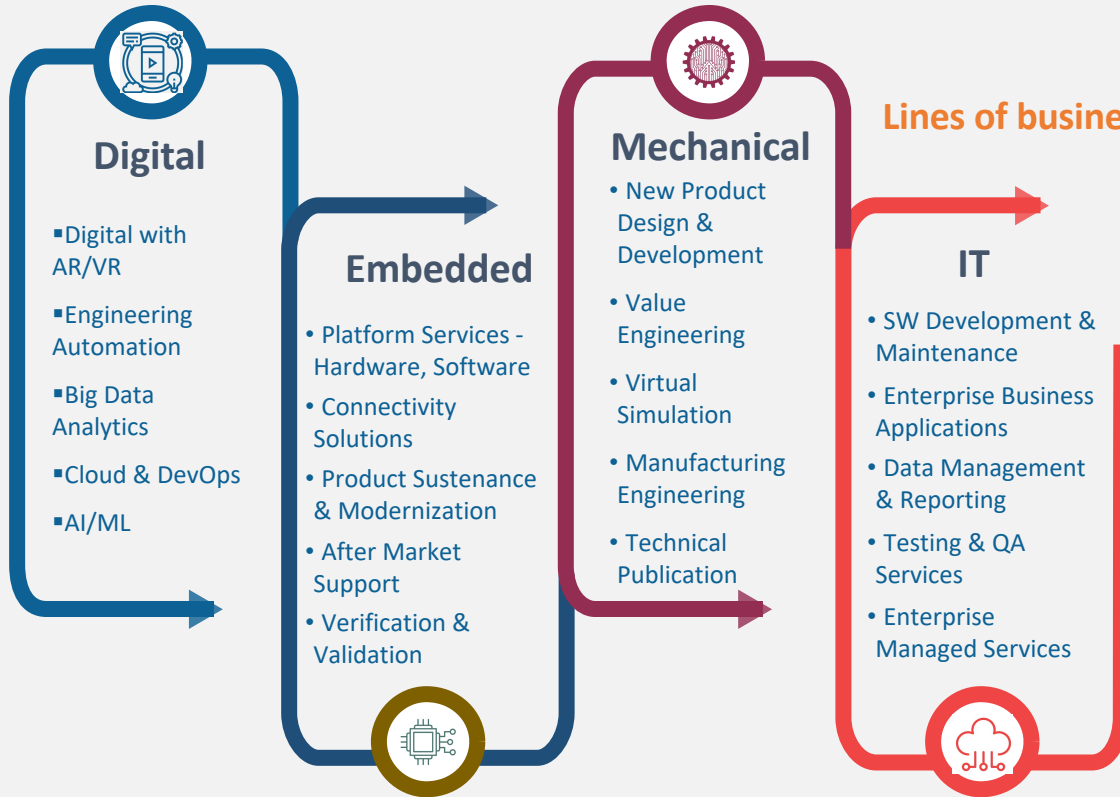


### FY22 Segmental Revenue



### FY22 Segmental Revenue





## Lines of business

## Focus verticals

Transportation & Mobility

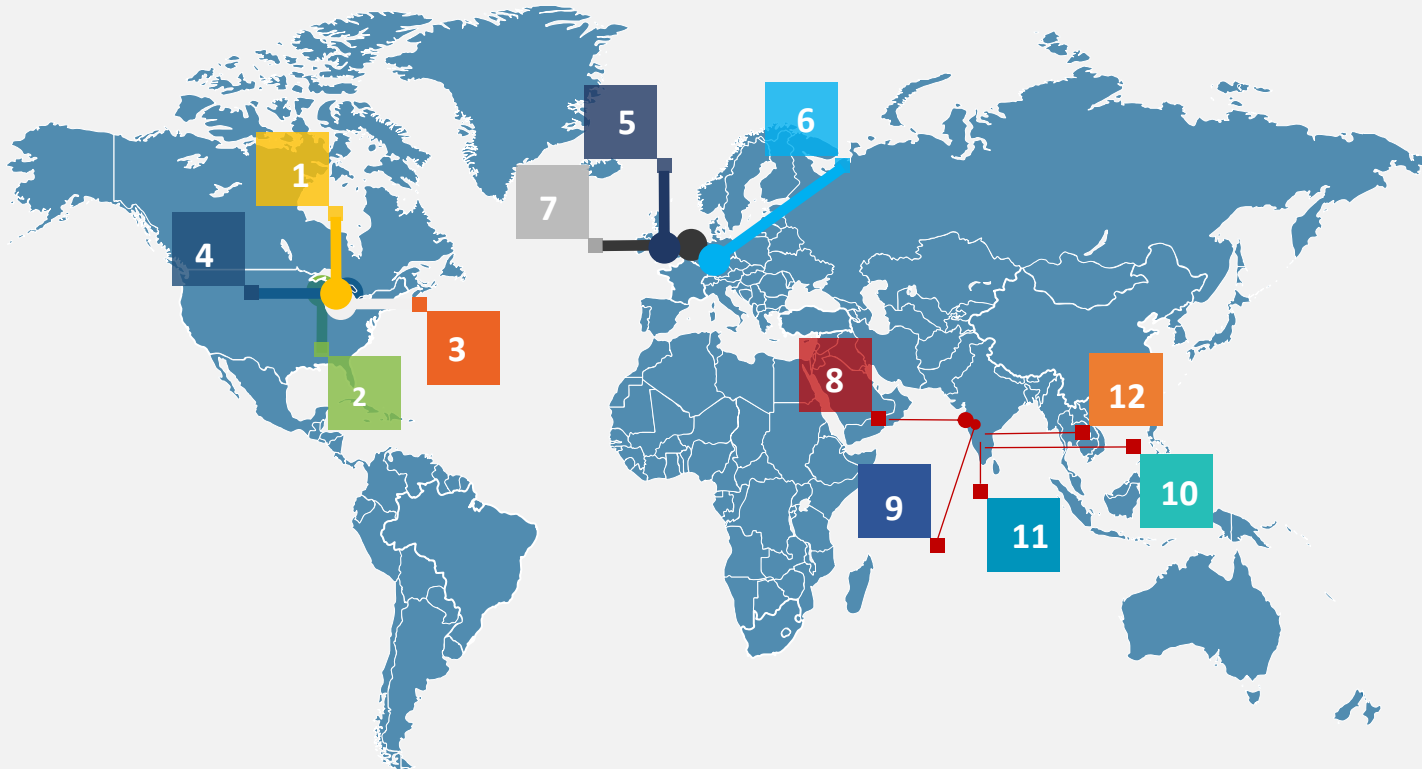


Healthcare & MedTech



Industrial Equipment & Heavy Machinery

# 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

# Q4-FY22/FY22 FINANCIAL OVERVIEW



## Q4-FY22 Consolidated Financial Performance

<b>INR 875 Mn</b> Revenue from Operations	<b>INR 63 Mn</b> EBITDA	<b>7.20%</b> EBITDA Margins
<b>INR 32 Mn</b> PAT	<b>3.66%</b> PAT Margins	<b>INR 1.42/Share</b> Diluted EPS

## Q4-FY22 Standalone Financial Performance

<b>INR 665 Mn</b> Revenue from Operations	<b>INR 67 Mn</b> EBITDA	<b>10.08%</b> EBITDA Margins
<b>INR 39 Mn</b> PAT	<b>5.86%</b> PAT Margins	<b>INR 1.72/Share</b> Diluted EPS

## FY22 Consolidated Financial Performance

<b>INR 3,073 Mn</b> Revenue from Operations	<b>INR 214 Mn</b> EBITDA	<b>6.96%</b> EBITDA Margins
<b>INR 237 Mn</b> PAT	<b>7.71%</b> PAT Margins	<b>INR 12.17/Share</b> Diluted EPS

## FY22 Standalone Financial Performance

<b>INR 2,344 Mn</b> Revenue from Operations	<b>INR 176 Mn</b> EBITDA	<b>7.51%</b> EBITDA Margins
<b>INR 93 Mn</b> PAT	<b>3.97%</b> PAT Margins	<b>INR 4.79/Share</b> Diluted EPS

## Q4-FY22/FY22 Operational Highlights

- Company recorded highest revenue growth in Q4-FY22 of 13% QoQ to INR 875Mn.
- Revenue growth was driven by increase in revenues from strategic clients in Industrial Equipment, Heavy Machinery, Transportation & Mobility verticals.
- 11 clients now deliver \$1 million or more in revenues on annualized basis.
- Credit rating has been upgraded by ICRA to BBB for long term and A3+ for short term.
- Addition of 160 employees during the quarter taking the total global headcount to 2641.
- Expansion of Center of Excellence (COE) in OMR, Chennai to 500 seats, to build capabilities in Digital Process Automation & Mechanical Product Engineering.
- Additionally, COE in Bengaluru was expanded to build capabilities in Embedded/ Electronics for mobility clients.
- The company also opened a new design center in Hyderabad to grow its Digital DevOps & Cloud practices.



### **Commenting on the performance of the Company, Jigar Mehta – Managing Director said:**

*“As our client’s progress on their transformation journey with a renewed urgency, we see strong demand for digital and ER&D services from all the large global OEM clients. We were very pleased to deliver record 28% annual revenue growth & 225% PAT growth from previous financial year, which surpassed all our internal projections.*

*Last year has been a historic year for our team in all growth parameters and we remain positive about the opportunities in front of us going forward. Our international business grew 28%+ and our domestic Indian business grew at a similar rate of 27%. We have invested in a talent acceleration program across all the centers in India increasing the capacity by 200 engineers as on March 2022. We continue to hire SMEs with strong domain experience across Digital and Embedded SW domains across all our design centers in India to meet the growing demand from USA & European customers. We believe these investments will help us continue to grow at a record pace over the next few quarters.”*

# Consolidated Quarterly Financial Performance

Particulars (INR Mn)	Q4-FY22	Q4-FY21	Y-O-Y	Q3-FY22	Q-O-Q
<b>Operational Income</b>	<b>875</b>	<b>663</b>	<b>32.0%</b>	<b>773</b>	<b>13.2%</b>
Total Expenses	812	625	30.0%	676	20.1%
<b>EBITDA</b>	<b>63</b>	<b>38</b>	<b>65.8%</b>	<b>97</b>	<b>(35.0)%</b>
<b>EBITDA Margins (%)</b>	<b>7.20%</b>	<b>5.73%</b>	<b>147 Bps</b>	<b>12.55%</b>	<b>(535) Bps</b>
Other Income	16	20	(20.0)%	3	NA
Depreciation	27	25	8.0%	25	8.0%
Finance Costs	3	4	(25.0)%	2	50.0%
<b>PBT</b>	<b>49</b>	<b>29</b>	<b>69.0%</b>	<b>73</b>	<b>(32.9)%</b>
Tax	17	8	NA	23	(26.1)%
<b>Profit After tax</b>	<b>32</b>	<b>21</b>	<b>52.4%</b>	<b>50</b>	<b>(36.0)%</b>
<b>PAT Margins (%)</b>	<b>3.66%</b>	<b>3.17%</b>	<b>49 Bps</b>	<b>6.47%</b>	<b>(281) Bps</b>
Other Comprehensive Income	(7)	3	NA	-	NA
<b>Total Comprehensive Income</b>	<b>25</b>	<b>24</b>	<b>4.2%</b>	<b>50</b>	<b>(50.0)%</b>
Diluted EPS (INR)	1.42	1.27	11.8%	2.52	(43.7)%

# Consolidated Annual Financial Performance

Particulars (INR Mn)	FY22	FY21*	Y-O-Y
<b>Operational Income</b>	<b>3,073</b>	<b>2,404</b>	<b>27.8%</b>
Total Expenses	2,859	2,230	28.2%
<b>EBITDA</b>	<b>214</b>	<b>172</b>	<b>24.4%</b>
<b>EBITDA Margins (%)</b>	<b>6.96%</b>	<b>7.15%</b>	<b>(19) Bps</b>
Other Income	215	53	NA
Depreciation	101	104	(2.9)%
Finance Costs	10	23	(56.5)%
<b>PBT</b>	<b>318</b>	<b>98</b>	<b>NA</b>
Tax	81	25	NA
<b>Profit After tax</b>	<b>237</b>	<b>73</b>	<b>NA</b>
<b>PAT Margins (%)</b>	<b>7.71%</b>	<b>3.04%</b>	<b>467 Bps</b>
Other Comprehensive Income	(7)	(3)	NA
<b>Total Comprehensive Income</b>	<b>230</b>	<b>70</b>	<b>NA</b>
Diluted EPS (INR)	12.17	4.35	NA

\* 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.

## Standalone Quarterly Financial Performance

Particulars (INR Mn)	Q4-FY22	Q4-FY21	Y-O-Y	Q3-FY22	Q-O-Q
<b>Operational Income</b>	<b>665</b>	<b>497</b>	<b>33.8%</b>	<b>596</b>	<b>11.6%</b>
Total Expenses	598	456	31.1%	540	10.7%
<b>EBITDA</b>	<b>67</b>	<b>41</b>	<b>63.4%</b>	<b>56</b>	<b>19.6%</b>
<b>EBITDA Margins (%)</b>	<b>10.08%</b>	<b>8.25%</b>	<b>183 Bps</b>	<b>9.40%</b>	<b>68 Bps</b>
Other Income	19	25	(24.0)%	8	NA
Depreciation	26	22	18.2%	22	18.2%
Finance Costs	3	4	(25.0)%	3	NA
<b>PBT</b>	<b>57</b>	<b>40</b>	<b>42.5%</b>	<b>39</b>	<b>46.2%</b>
Tax	18	11	63.6%	10	80.0%
<b>Profit After tax</b>	<b>39</b>	<b>29</b>	<b>34.5%</b>	<b>29</b>	<b>34.5%</b>
<b>PAT Margins (%)</b>	<b>5.86%</b>	<b>5.84%</b>	<b>2 Bps</b>	<b>4.87%</b>	<b>99 Bps</b>
Other Comprehensive Income	(4)	1	NA	-	NA
<b>Total Comprehensive Income</b>	<b>35</b>	<b>30</b>	<b>16.7%</b>	<b>29</b>	<b>20.7%</b>
Diluted EPS (INR)	1.72	1.75	(1.7)%	1.48	16.2%

## Standalone Annual Financial Performance

Particulars (INR Mn)	FY22	FY21*	Y-O-Y
<b>Operational Income</b>	<b>2,344</b>	<b>1,727</b>	<b>35.7%</b>
Total Expenses	2,168	1,531	41.6%
<b>EBITDA</b>	<b>176</b>	<b>196</b>	<b>(10.2)%</b>
<b>EBITDA Margins (%)</b>	<b>7.51%</b>	<b>11.35%</b>	<b>(384) Bps</b>
Other Income	56	85	(34.1)%
Depreciation	92	93	(1.1)%
Finance Costs	10	21	(52.4)%
<b>PBT</b>	<b>130</b>	<b>167</b>	<b>(22.2)%</b>
Tax	37	40	(7.5)%
<b>Profit After tax</b>	<b>93</b>	<b>127</b>	<b>(26.8)%</b>
<b>PAT Margins (%)</b>	<b>3.97%</b>	<b>7.35%</b>	<b>(338) Bps</b>
Other Comprehensive Income	(5)	1	NA
<b>Total Comprehensive Income</b>	<b>88</b>	<b>128</b>	<b>(31.3)%</b>
Diluted EPS (INR)	4.79	7.50	(36.1)%

\* 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 FINANCIAL OVERVIEW



## Historical Consolidated Profit & Loss

Particulars (INR Mn)	FY19	FY20*	FY21*	FY22
<b>Operational Income</b>	<b>2,610</b>	<b>2,715</b>	<b>2,404</b>	<b>3,073</b>
Total Expenses	2,386	2,482	2,230	2,859
<b>EBITDA</b>	<b>224</b>	<b>233</b>	<b>172</b>	<b>214</b>
<b>EBITDA Margins (%)</b>	<b>8.58%</b>	<b>8.58%</b>	<b>7.15%</b>	<b>6.96%</b>
Other Income	12	11	53	215
Depreciation	57	113	104	101
Finance Costs	27	35	23	10
<b>PBT</b>	<b>152</b>	<b>96</b>	<b>98</b>	<b>318</b>
Tax	51	34	25	81
<b>Profit After tax</b>	<b>101</b>	<b>62</b>	<b>73</b>	<b>237</b>
<b>PAT Margins (%)</b>	<b>3.87%</b>	<b>2.28%</b>	<b>3.04%</b>	<b>7.71%</b>
Other Comprehensive Income	8	19	(3)	(7)
<b>Total Comprehensive Income</b>	<b>109</b>	<b>81</b>	<b>70</b>	<b>230</b>
Diluted EPS (INR)	6.17	3.76	4.35	12.17

\* 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
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	80	171	366
Intangible assets	41	39	26
Intangible assets under development	-	1	-
Right of use asset	159	88	175
Financial Assets			
(i) Loans	30	31	28
Deferred tax assets	28	33	28
Income tax assets (net)	193	111	179
Other non-current assets	2	-	11
<b>Sub Total Non Current Assets</b>	<b>533</b>	<b>474</b>	<b>813</b>
<b>Current Assets</b>			
Financial Assets			
(i) Investment	-	1	-
(ii) Trade Receivables	498	408	666
(iii) Cash & cash equivalents	178	285	495
(iv) Bank balance other than above	44	9	109
(v) Contract assets	42	134	119
(vi) Other financial assets	1	1	4
Other Current Assets	65	64	88
<b>Sub Total Current Assets</b>	<b>828</b>	<b>902</b>	<b>1,481</b>
<b>TOTAL ASSETS</b>	<b>1,361</b>	<b>1,376</b>	<b>2,294</b>

Particulars (INR Mn)	FY20	FY21	FY22
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	160	163	220
Other Equity	520	581	1,412
<b>Total Equity</b>	<b>680</b>	<b>744</b>	<b>1,632</b>
<b>Non Current Liabilities</b>			
(i) Borrowings	-	6	5
(ii) Lease liabilities	109	55	109
Provisions	25	48	34
Deferred tax liabilities	7	-	32
<b>Sub Total Non Current Liabilities</b>	<b>141</b>	<b>109</b>	<b>180</b>
<b>Current Liabilities</b>			
(i) Borrowings	181	146	1
(ii) Trade Payables	76	72	115
(iii) Other Financial Liabilities	133	151	203
(iv) Lease Liabilities	57	43	72
Provisions	21	14	15
Income tax liabilities	5	-	-
Contract liabilities	5	30	16
Other current liabilities	62	67	60
<b>Sub Total Current Liabilities</b>	<b>540</b>	<b>523</b>	<b>482</b>
<b>Sub Total Liabilities</b>	<b>681</b>	<b>632</b>	<b>662</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,361</b>	<b>1,376</b>	<b>2,294</b>



## Historical Standalone Profit & Loss

Particulars (INR Mn)	FY19	FY20*	FY21*	FY22
<b>Operational Income</b>	<b>1,182</b>	<b>1,806</b>	<b>1,727</b>	<b>2,344</b>
Total Expenses	1,032	1,660	1,531	2,168
<b>EBITDA</b>	<b>150</b>	<b>145</b>	<b>196</b>	<b>176</b>
<b>EBITDA Margins (%)</b>	<b>12.69%</b>	<b>8.03%</b>	<b>11.35%</b>	<b>7.51%</b>
Other Income	50	65	85	56
Depreciation	48	102	93	92
Finance Costs	21	33	21	10
<b>PBT</b>	<b>131</b>	<b>75</b>	<b>167</b>	<b>130</b>
Tax	37	21	40	37
<b>Profit After tax</b>	<b>94</b>	<b>54</b>	<b>127</b>	<b>93</b>
<b>PAT Margins (%)</b>	<b>7.95%</b>	<b>2.99%</b>	<b>7.35%</b>	<b>3.97%</b>
Other Comprehensive Income	(4)	3	1	(5)
<b>Total Comprehensive Income</b>	<b>90</b>	<b>57</b>	<b>128</b>	<b>88</b>
Diluted EPS (INR)	5.70	3.26	7.50	4.79

\* 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.

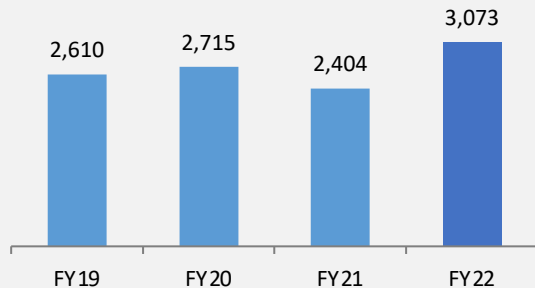
# Historical Standalone Balance Sheet

Particulars (INR Mn)	FY20	FY21	FY22
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
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
<b>Sub Total Non Current Assets</b>	<b>628</b>	<b>570</b>	<b>940</b>
<b>Current Assets</b>			
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
<b>Sub Total Current Assets</b>	<b>549</b>	<b>602</b>	<b>1,204</b>
<b>TOTAL ASSETS</b>	<b>1,178</b>	<b>1,172</b>	<b>2,144</b>

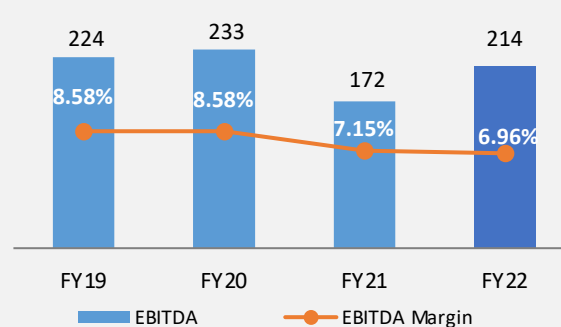
Particulars (INR Mn)	FY20	FY21	FY22
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	160	163	220
Other Equity	455	573	1,262
<b>Total Equity</b>	<b>615</b>	<b>736</b>	<b>1,482</b>
<b>Non Current Liabilities</b>			
(i) Borrowings	-	6	5
(ii) Lease liabilities	104	55	113
Employee benefit obligations	25	46	34
<b>Sub Total Non Current Liabilities</b>	<b>129</b>	<b>107</b>	<b>152</b>
<b>Current Liabilities</b>			
(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
<b>Sub Total Current Liabilities</b>	<b>434</b>	<b>329</b>	<b>510</b>
<b>Sub Total Liabilities</b>	<b>563</b>	<b>436</b>	<b>662</b>
<b>TOTAL EQUITY and LIABILITIES</b>	<b>1,178</b>	<b>1,172</b>	<b>2,144</b>

# Consolidated Financial Highlights

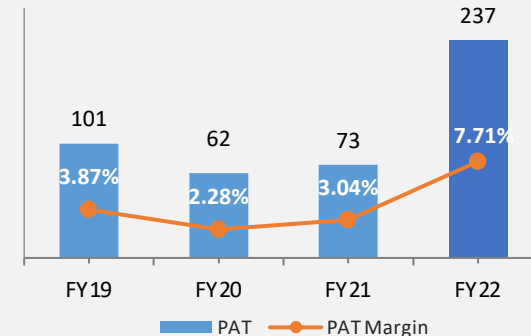
### Revenue (INR Mn)



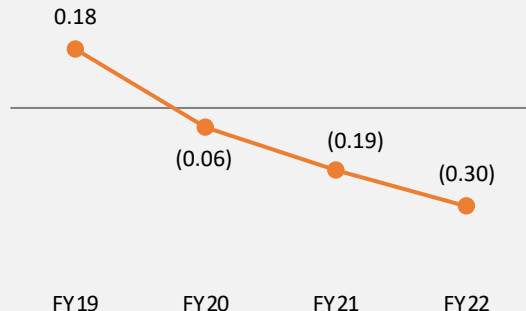
### EBITDA (INR Mn) & EBITDA Margin (%)



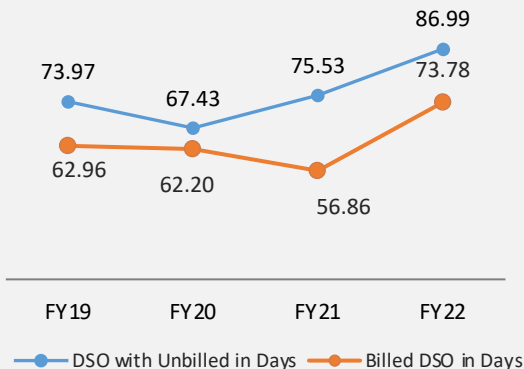
### PAT (INR Mn) & PAT Margin (%)



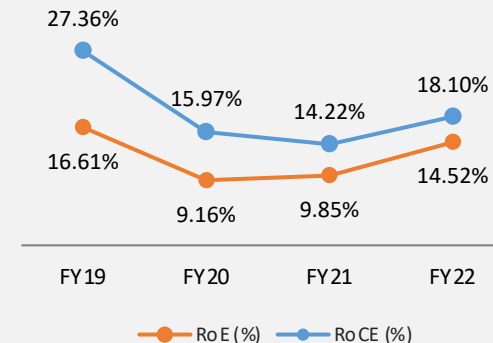
### Net D/E (x)



### DSO Days

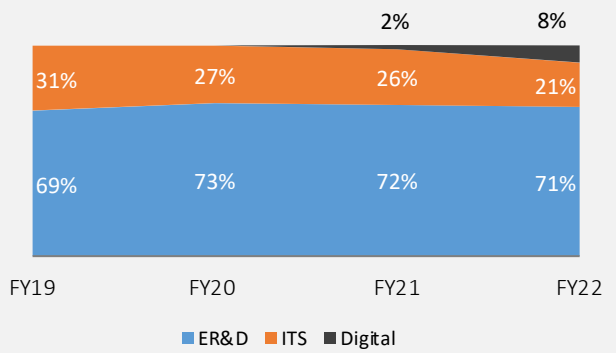


### ROE and ROCE (%)

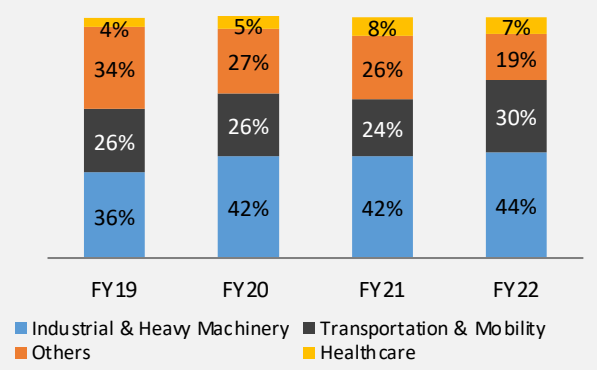


# Revenue Metrics (Consolidated)

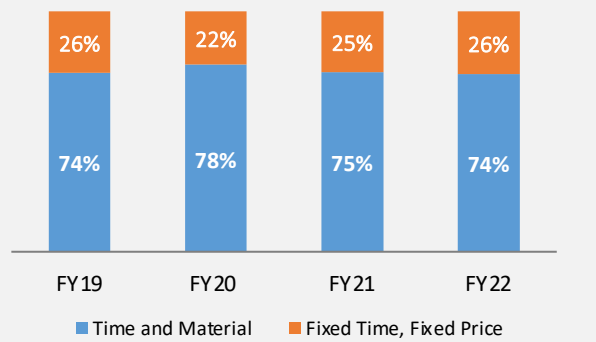
Revenue by Business (%)



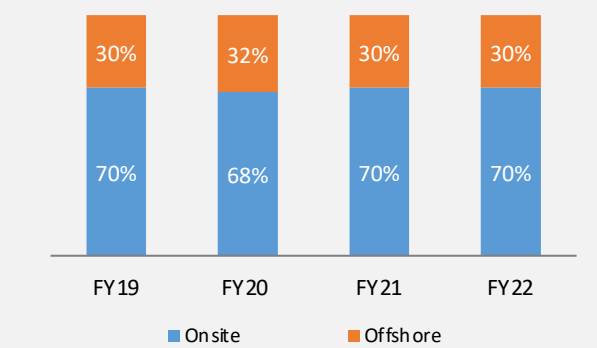
Revenue by Industry (%)



Revenue by Contract Type (%)



Revenue by Engagement Model (%)



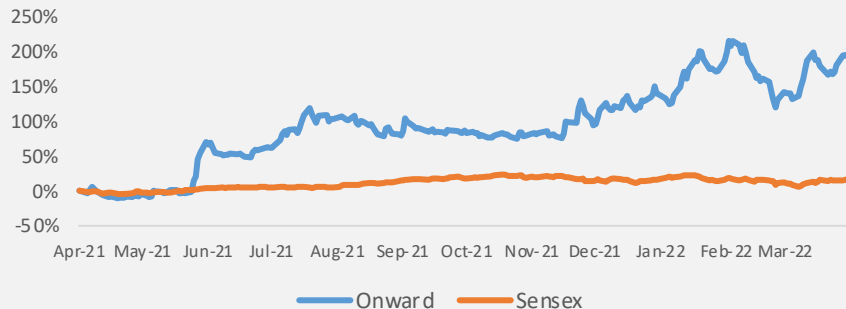
## Hedging & Other Metrics

Other Ratios	FY19	FY20	FY21	Q4-FY22
Carpet Area	70,873	71,948	65,285	87,576
Number of seats	889	906	847	1,200
PBT to Revenue%	5.82%	3.55%	4.08%	10.35%
Number of active clients	199	210	184	145

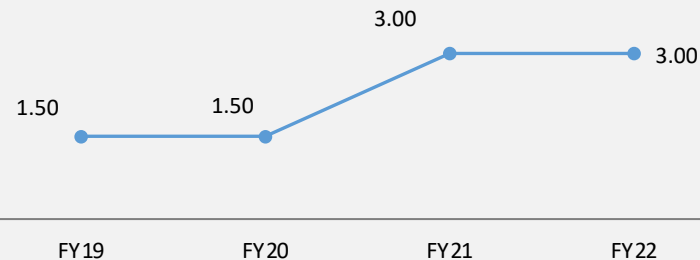
Hedging Details for Q4-FY22*	Hedge Rate	Hedge Amount (Mn)	Actual Rate Achieved	Gain Over 50% Hedge rate (INR, Lakh)
USD	75.92	1.93	76.23	5.43
EUR	88.35	0.46	88.27	(0.15)
GBP	103.21	0.47	104.14	1.90

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

## Stock Market Performance (as on 31st March, 2022)



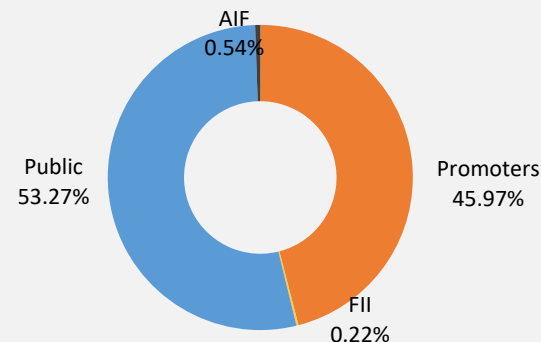
## Dividend per Share (INR)



## Price Data (As of 31st March 2022)\*

Face Value	10.0
Market Price	360.3
52 Week H/L	406.0/104.5
Market Cap (INR Mn)	7,934.1
Equity Shares Outstanding (Mn)	22
1 Year Avg. Trading Volume ('000)	95.3
1 Year Avg. Net Turnover (Mn)	20.9

## Shareholding Pattern (as on 31st March, 2022)



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**THANK YOU**

