

Ref No.: OTL/Secretarial/SE/2024-25/35

Date: July 19, 2024

To,

Bombay Stock Exchange Limited Phiroz Jeejeebhoy Towers, Dalal Street, Mumbai – 400023	National Stock Exchange of India Ltd., Plot No. C/1 'G' Block Bandra – Kurla Complex Bandra East, Mumbai 400051
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Ref: Scrip Code - **BSE: 517536** | **NSE: ONWARDTEC**

Sub.: Submission of Earnings Presentation on Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter ended June 30, 2024.

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of Earnings Presentation on Standalone and Consolidated Unaudited Financial Results of the Company for the quarter ended June 30, 2024.

Kindly acknowledge the receipt of the same.

For Onward Technologies Limited

Vinav Agarwal
Company Secretary & Compliance Officer
Membership No : A40751



onward

TECHNOLOGIES

Your Imagination. Delivered to Perfection.™

EARNINGS PRESENTATION

Q1FY25

19th July 2024

Disclaimer

This release may contain certain future prospects, which may be forward-looking statements.

Forward-looking statements, by their nature, involve a number of risks and uncertainties that could cause actual results to differ materially from market expectations.

These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements.

Note: All numbers have been rounded to the nearest digit for convenience of representation.



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IE&HM, T&M, HCLS

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Onward Technologies At Glance

01

We are a Software Outsourcing Company Specialized in Digital and ER&D Services with



2,493
Employees



12 Offices
6 Countries



86
Active Clients



Industrial
Equipment & Heavy
Machinery (IE&HM)



Transportation
& Mobility (T&M)



Healthcare & Life
Sciences (HCLS)



24% CAGR
Revenue
(FY22 – FY24)



9th Year
Consistent
Dividend Payout



₹ 101.3 Cr
Cash and Bank
Reserves



₹ 117.6 Cr
Revenue



9.9 %
EBITDA Margin

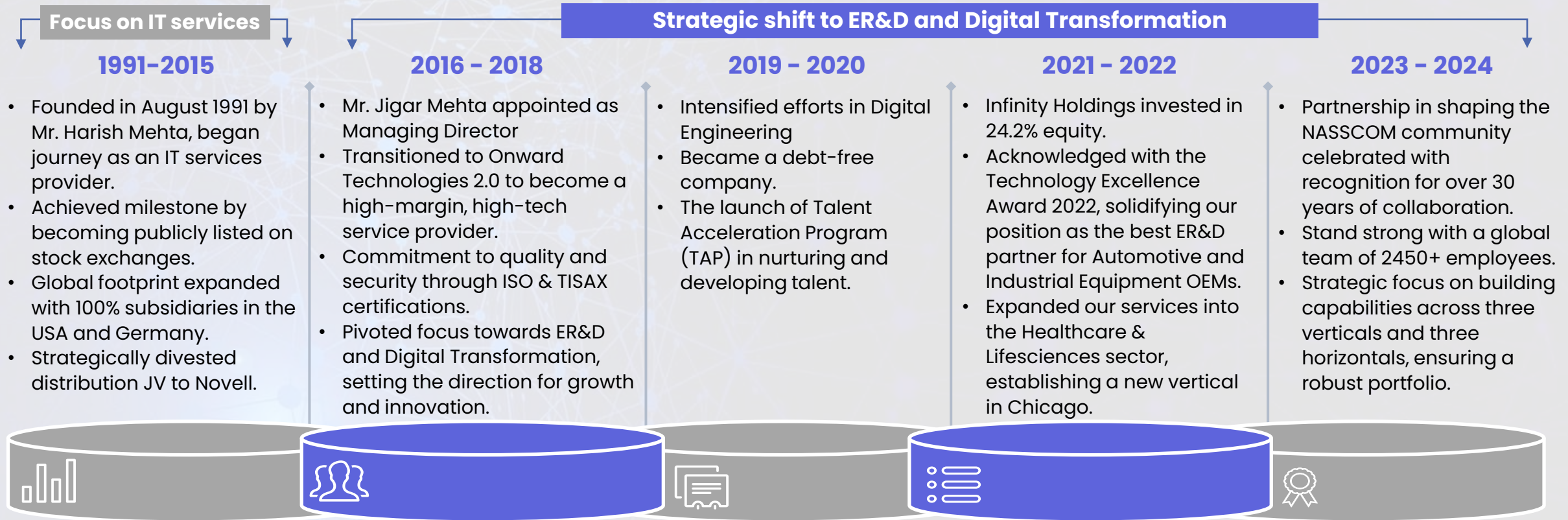


6.0%
PAT Margin

*All above Financials are for Q1FY25

*Dividend Payout subject to shareholders' approval

Transformation from IT Service Provider to a pure play Digital and ER&D Service Provider




Addition of New Infrastructure

2018-2020

- New Sales offices in Chicago, London, Frankfurt and Detroit
- Embedded lab in Pune
- ER&D delivery center in Chennai, Bangalore

2021-2022

- New Digital CoE in Chennai
- Digital Excellence center in Navi Mumbai
- Acquired Pune offshore capability center through 100% internal accruals

2023-2024

- Office in Hi-Tech City, Hyderabad
- Dedicated delivery center for HCLS vertical in Balewadi, Pune



**Overview of Verticals :
IE&HM, T&M, HCLS**

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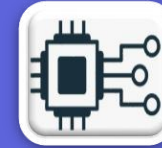
Digital

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

➤ Industrial Equipment & Heavy Machinery

➤ Transportation & Mobility

➤ Healthcare & Life Sciences



Embedded

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



Mechanical

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

Industrial Equipment & Heavy Machinery (IE&HM) Vertical



Industrial Equipment



Off-Highway



Power Generation



Material Handling

Engineering Services

- Product Development – Off-Highway Products, Electrolyzers (Hydrogen Power)
- Functional Safety
- Controls and Automation including Robotics and Motion Control
- Embedded Systems including Platforms, Firmware and Hardware
- Obsolescence Management

Digital Transformation Services

- Smart Factory Enablement
- Pre/Post market Analytics, Warranty Analytics, use of AI/ML
- Application Sustainance
- IOT, IT/OT Convergence, Cloud Migration and Deployment

Supply Chain Logistics & Procurement Services

- Control Towers including Material Requirements and Planning (MRP)
- Supply Chain Analytics
- Robotic Process Automation in Supply Chain Management (SCM)
- Low Cost Country (LCC) Supplier Identification

1,300+ Engineers | 52% of revenue in FY24

Specialized in Vertical & Off-Highway Mobility, Power Generation & Management, Water Handling, Mining & Construction Equipment

Strategy

- **Customer Focus:**
 - Co-development & sustaining partner for larger corporations
 - Support supply chain and cost management
 - Digital Transformation – Product and Process
- **Delivery presence across top 5 cities in India**
- **Building in-house embedded and teardown lab infrastructure**
- **Centre of Excellence (COE) across key domains**

Transportation & Mobility (T&M) Vertical



Interiors & infotainment



Platform & validation



Autonomous & connected cars



Electrification

Embedded Electronics and Software

- System Engineering, Functional Safety & Cybersecurity
- Embedded Software including Platform, Firmware & Application
- E- Powertrain
- Infotainment & Connectivity
- ADAS, Autodrive

Digital Transformation Services

- Offboard Digital services –SaaS, AI/ML, OTA, V2X
- Pre/Post market Analytics, Warranty Analytics, use of AI/ML
- Application Sustainance
- IOT, IT/OT Convergence, Cloud migration and deployment
- Smart factory Enablement

End to End Mechanical & Electrical Engineering

- Body, Chassis and Interior Engineering
- Platform Engineering
- Powertrain
- Wiring Harness
- Lighting
- Signal and Train Controls (Rail only)

950+ Engineers | 37% of revenue in FY24

- Expertise in Automotive (Cars, Truck, Bus)
- Expertise in Rail Transportation (Freight, Transit)
- Embedded, Digital Engineering
- Controls & Automation, including Robotics & Motion Control

Strategy

- **Customer Focus:**
 - Grow in new technology areas: Software Driven Vehicles
 - Co-development & sustaining partner for large corporations
 - Digital Transformation – Product and Process
- **Delivery presence across top 5 cities in India**
- **Building in-house embedded & lab infrastructure**
- **Centre of Excellence (COE) across key domains**
- **Onsite, Nearshore, Offshore model**

Healthcare & Life Sciences (HCLS) Vertical



Medical Devices



Lab & analytical instrumentation



Digital Health



Pharma

Digital Services

- Dev Ops
- App Development – Web and Mobile
- Data Analytics and Visualization
- IoT Platforms Integration
- Application Modernization

Regulatory Compliance

- Regulatory Submissions
- Regulatory Labeling
- Medical Device Regulation (MDR)/Medical Devices Directive (MDD)
- Tech File/DHF Remediation

Product Development & Sustenance Engineering

- Device Design, Development and Sustenance
- Verification and Validation
- Value Analysis and Value Engineering
- Technical Publication

Domain

Expertise across standards and geographies – ISO 13485, IEC 62304, ISO 14971, IEC 60601, MDD/MDR, FDA etc

Strategy

- **Customer Focus:**
 - Supporting F2000 and mid sized clients as a Digital Engineering and Product Development partner
 - Focused on customers in US and Europe
- **Presence in Pune – hub for Software (S/W) & Biomedical**
- **Independent teams and Dedicated development center to scale Healthcare and Lifesciences client vertical**
- **Strong ecosystem to enable medical device development**



Future Roadmap

Our Transformation Journey (2020 – 2024)

- Established as a specialized Digital and Engineering R&D services entity.
- Streamlined operations into three primary verticals and horizontals (3 by 3)
 1. Industry Verticals
 - Industrial Equipment & Heavy Machinery (IE&HM)
 - Transportation & Mobility (T&M)
 - Healthcare & Life Sciences (HCLS)
 2. Horizontals (LOBs)
 - Mechanical Engineering Services
 - Embedded and Electronic Engineering
 - Digital Engineering Services
- Successfully transitioned from legacy to new, higher-margin business.
- Upgraded global infrastructure to bolster offshore revenue streams.
- Achieved record revenue of ₹ 472.4 crore with a robust EBITDA margin of 11.1% in FY24.
- Maintained a strong liquidity position with cash & bank reserves at a peak of ₹ 93.6 crore as of March 31st, 2024.
- Demonstrated a commitment to shareholder returns with consistent dividend growth over nine years.

Strategic Growth Plan (2024 and Beyond)

- **Solid Foundation & Leadership:** Leveraging our strong foundation and experienced leadership team to foster strategic partnerships and ensure balanced growth.
- **Customer-Centric Approach:** Dedicated focus on serving USA and European headquartered companies, ensuring alignment with their strategic goals.
- **Enhanced Customer Engagement:** With over 75 live customers, we aim to double or triple our growth by building specialized teams and refining our execution model to deepen customer relationships.
- **Revenue Growth Targets:** Achieving significant revenue milestones with either 10 customers contributing \$10 million each annually or 20 customers contributing \$5 million each annually, through a blend of offshore and onsite services.
- **Investment in Expertise:** Committing to strategic investments in hiring Subject Matter Experts (SMEs) with deep domain knowledge across our three core horizontals: Mechanical, Embedded, and Digital.

Our Distinctive Strengths



Design Thinking and Digital Transformation

Committed to an exclusive focus on design thinking, digital transformation, and product engineering to drive innovation and success.

Robust Processes and Specialized Tools

Highlighting the use of field-tested processes and specialized tools for improved operations, continuous improvement, and value addition.

Global Talent Pool and Collaborative Culture

Emphasizing a global talent pool and a collaborative work environment, empowered by a culture of performance, core values, and investments in learning and organizational development.

Agile Delivery

Our responsive agility, with a delivery model that rapidly mobilizes technical talent through our innovative talent acceleration programs, ensures our services are perfectly aligned with customer needs.

Value-Driven Cost Structure

Our competitive billing rates offer approximately 20% savings on the total cost of engagement, combined with productivity enhancements that consistently exceed client expectations.



Financial Performance

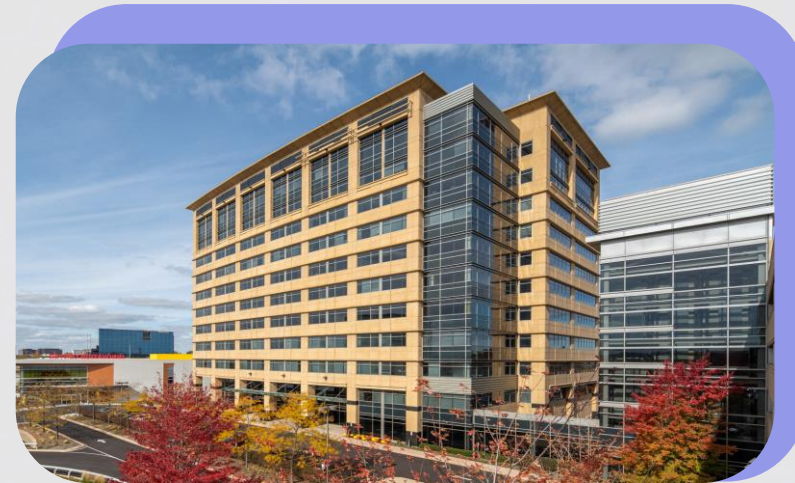
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Key Highlights – Q1FY25

- EBITDA stood at ₹ 11.7 crore, reflecting a growth of 20.6% QoQ with EBITDA margin of 9.9% in Q1FY25.
- Continued to maintain momentum in its focused verticals in Q1FY25:
 - Industrial Equipment & Heavy Machinery contributed 56% of consolidated revenues.
 - Transportation & Mobility accounted for 37% of consolidated revenues.
 - Healthcare & Life Sciences contributed 6% of consolidated revenues.
- Top 25 clients contribute 84% of total revenues.
- Total headcount stood at 2,493 employees.
- Opened new offices in Bangalore and Chicago.



Bangalore Office



Chicago Office

Consolidated Financial Summary – Q1FY25

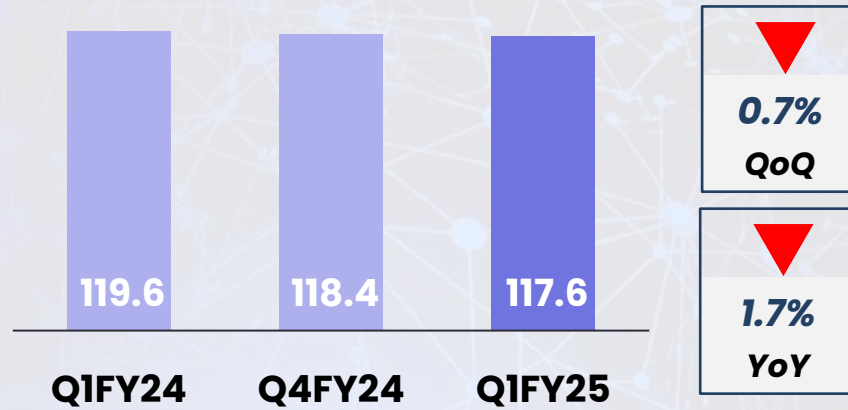
Particulars (in ₹ Crore)	Q1 FY25	Q4 FY24	QoQ Growth	Q1 FY24	YoY Growth	FY24	FY23	YoY Growth
Revenue from Operations	117.6	118.4	(0.7%)	119.6	(1.7%)	472.4	440.9	7.1%
Other Income	1.8	2.8	(35.7%)	0.4	350.0%	7.3	3.4	114.7%
Total Revenue	119.4	121.2	(1.5%)	120.0	(0.5%)	479.7	444.3	8.0%
EBITDA	11.7	9.7	20.6%	16.7	(29.9%)	52.2	29.3	78.2%
EBITDA Margin (%)	9.9%	8.2%	176 bps	13.9%	(400 bps)	11.1%	6.6%	450 bps
EBIT	8.4	6.6	27.3%	13.4	(37.4%)	39.2	16.3	140.5%
EBIT Margin (%)	7.1%	5.6%	157 bps	11.2%	(407 bps)	8.3%	3.7%	460 bps
PBT	9.7	9.1	6.6%	13.5	(27.9%)	45.2	18.0	151.1%
PBT Margin (%)	8.2%	7.7%	56 bps	11.3%	(301 bps)	9.6%	4.1%	550 bps
PAT	7.1	6.7	6.0%	10.8	(34.5%)	33.9	11.5	195.5%
PAT Margin (%)	6.0%	5.7%	38 bps	9.1%	(303 bps)	7.2%	2.6%	460 bps
EPS (₹) - Diluted	3.1	2.9	6.5%	4.8	(35.0%)	14.8	5.1	190.2%

Note: In FY24, the Company had changed its accounting policy w.r.t. government grants, which were earlier included under 'Other Income', however from the current year such government grants are presented under 'net of employee benefit expenses' to showcase appropriate representation of financial statements. Accordingly, this change is applied retroactively to the previous year, does not affect the profit, earnings per share, or opening retained earnings as of April 1, 2023.

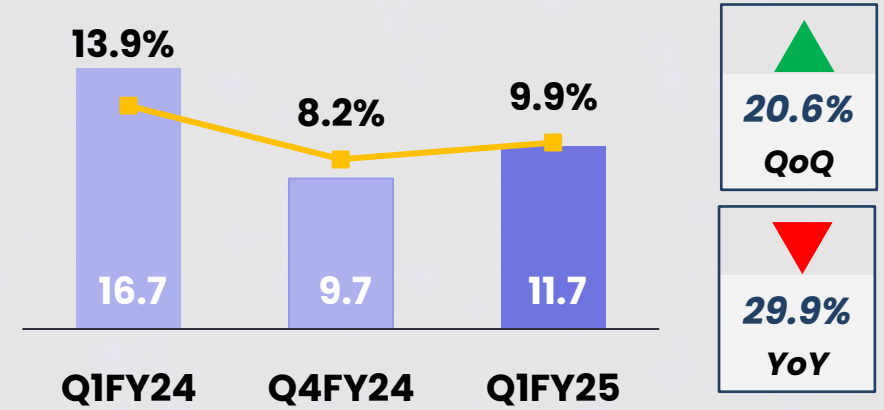
Consolidated Financial Summary – Q1FY25

(ALL FIGURES IN ₹ CRORE)

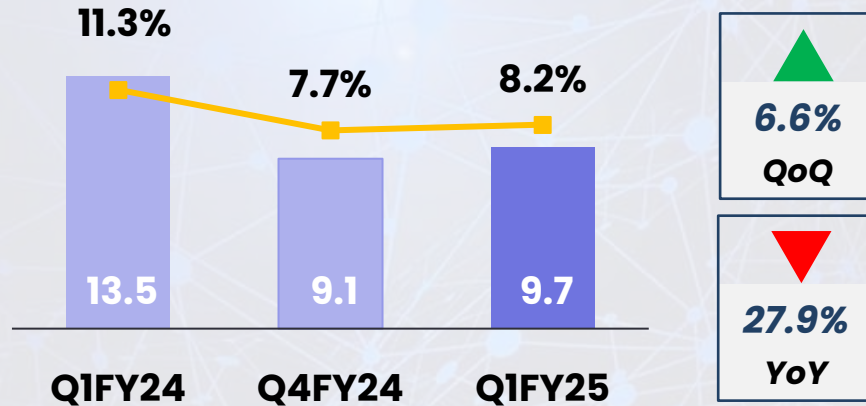
Revenue from Operations



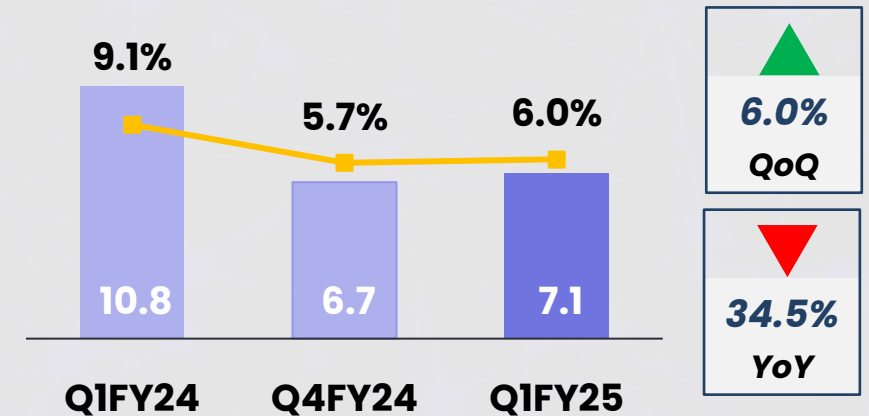
EBITDA & EBITDA Margin %



PBT & PBT Margin %



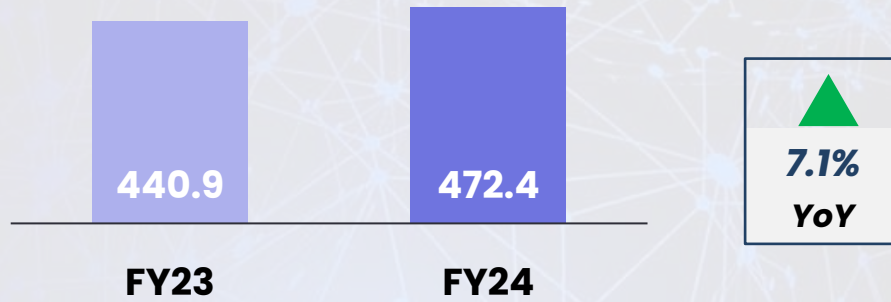
PAT & PAT Margin %



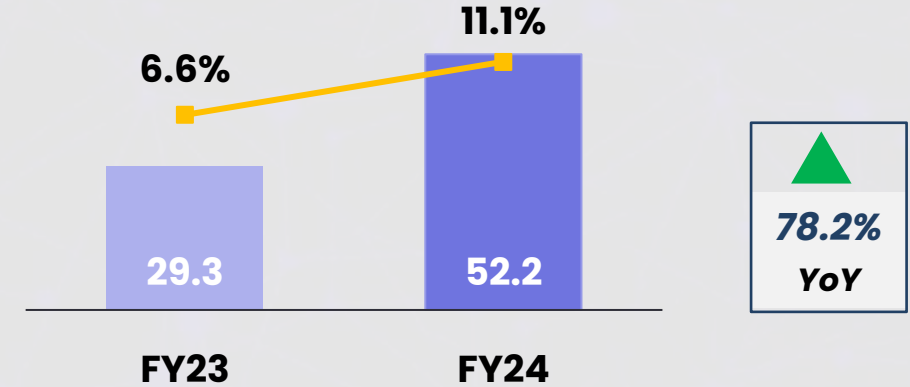
Consolidated Financial Summary – FY24

(ALL FIGURES IN ₹ CRORE)

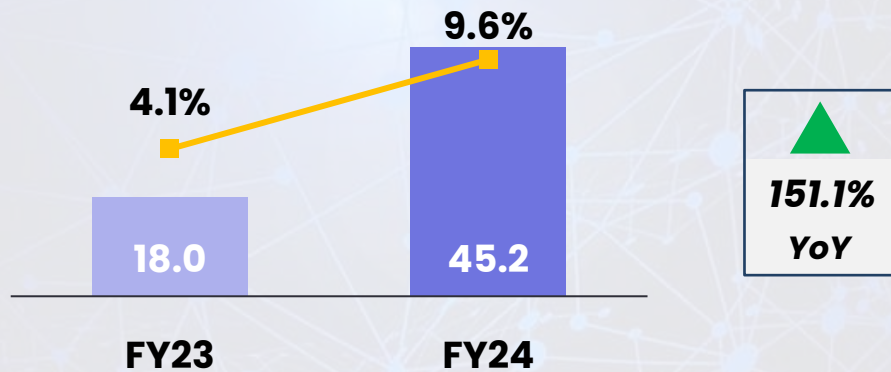
Revenue from Operations



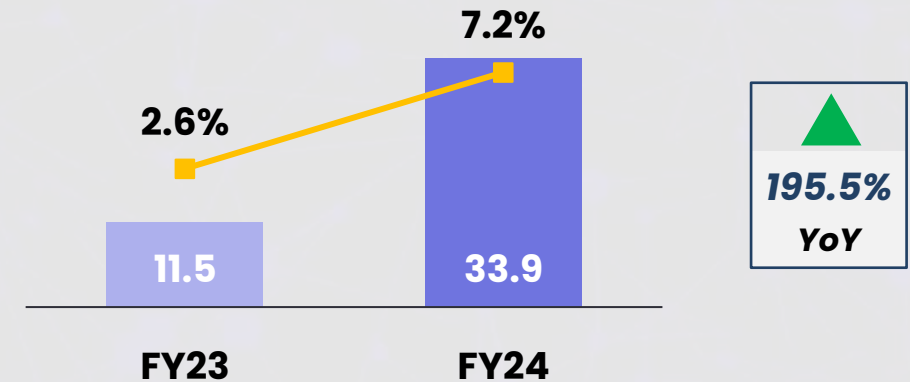
EBITDA & EBITDA Margin %



PBT & PBT Margin %



PAT & PAT Margin %



Revenue Metrics

Particulars		Q1FY25	Q4FY24	Q1FY24	FY24	FY23
Revenue by Business (%)	ER&D	81%	78%	61%	63%	70%
	Digital	19%	20%	37%	35%	17%
	ITS	-	2%	2%	2%	13%
Revenue by Industry (%)	Industrial Equipment & Heavy Machinery (IE&HM)	56%	53%	53%	52%	55%
	Transportation & Mobility (T&M)	37%	38%	35%	37%	30%
	Healthcare & Life Sciences (HCLS)	6%	7%	9%	8%	8%
	Others	1%	2%	3%	3%	6%
Revenue By Geography (%)	USA	36%	37%	39%	38%	39%
	Europe	14%	14%	12%	13%	12%
	India	50%	49%	49%	49%	49%
Revenue By Contract Type (%)	Time & Material	85%	87%	90%	88%	88%
	Fixed Time, Fixed Price	15%	13%	10%	12%	12%
Revenue By Engagement Model (%)	Onsite#	29%	30%	-	31%	-
	Offshore#	71%	70%	-	69%	-

Updated Classification of Onsite: Offshore Revenue mix as per industry definition, and applicable from Q2FY24

Operating Metrics

Particulars		Q1FY25	Q4FY24	Q1FY24	FY24	FY23
Client Base	Active Clients	86	84	93	84	98
	Top 5	51%	51%	47%	50%	43%
	Top 10	68%	67%	66%	66%	58%
	Top 25	84%	85%	85%	84%	81%
	Clients with Annual Billing > USD 1mn	11	13	15	13	15
Employee Metrics	Total Employees	2,493	2,529	2,646	2,529	2,798
DSO	Days	77	72	77	72	86

Key Performing Indicators

Particulars (In ₹ Crore)	FY22	FY23	FY24	Reasons
Revenue from Operations	307.3	440.9	472.4	Revenue growth from USA and Europe
Other Income	21.5	3.4	7.3	Interest income earned on fixed deposits (FD)
Total Income	328.8	444.3	479.7	
Employee Benefit	238.8	351.3	357.7	Investment in experienced talent pool to scale client engagement
Other expenses	47.0	60.6	62.6	
EBITDA	21.4	29.3	52.2	
EBITDA Margin (%)	7.1%	6.6%	11.1%	Growth/ Operational efficiencies
Depreciation and amortisation	10.1	13.0	13.0	
PBT	31.8	18.0	45.2	
PBT Margin (%)	10.4%	4.1%	9.6%	
PAT	23.7	11.5	33.9	
PAT Margin (%)	7.7%	2.6%	7.2%	
EPS (₹) – Diluted	12.2	5.1	14.8	

Note: In FY24, the Company had changed its accounting policy w.r.t. government grants, which were earlier included under 'Other Income', however from the current year such government grants are presented under 'net of employee benefit expenses' to showcase appropriate representation of financial statements. Accordingly, this change is applied retroactively to the previous year, does not affect the profit, earnings per share, or opening retained earnings as of April 1, 2023.



Corporate Updates

05

Awards & Recognition – FY24

Recognized

Honoured with "Best Family Managed Business" at the Business Leader of the Year awards 2024

**Business
Leader**



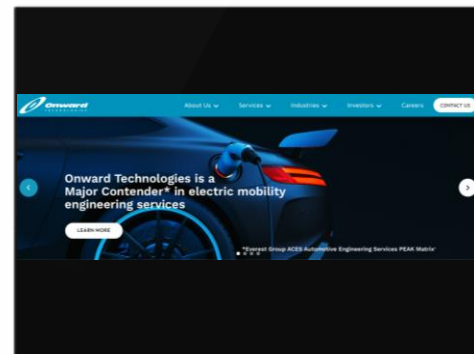
Recognized

Selected as the Best Employer Brand for the second time in a row at the Employer Branding Awards 2023



Positioned as Major Contender

in engineering services for electric mobility: Everest Group
Autonomous, Connected, Electric, Shared (ACES) Automotive Engineering Services PEAK Matrix
Recognized among 26 companies



Featured as cover story

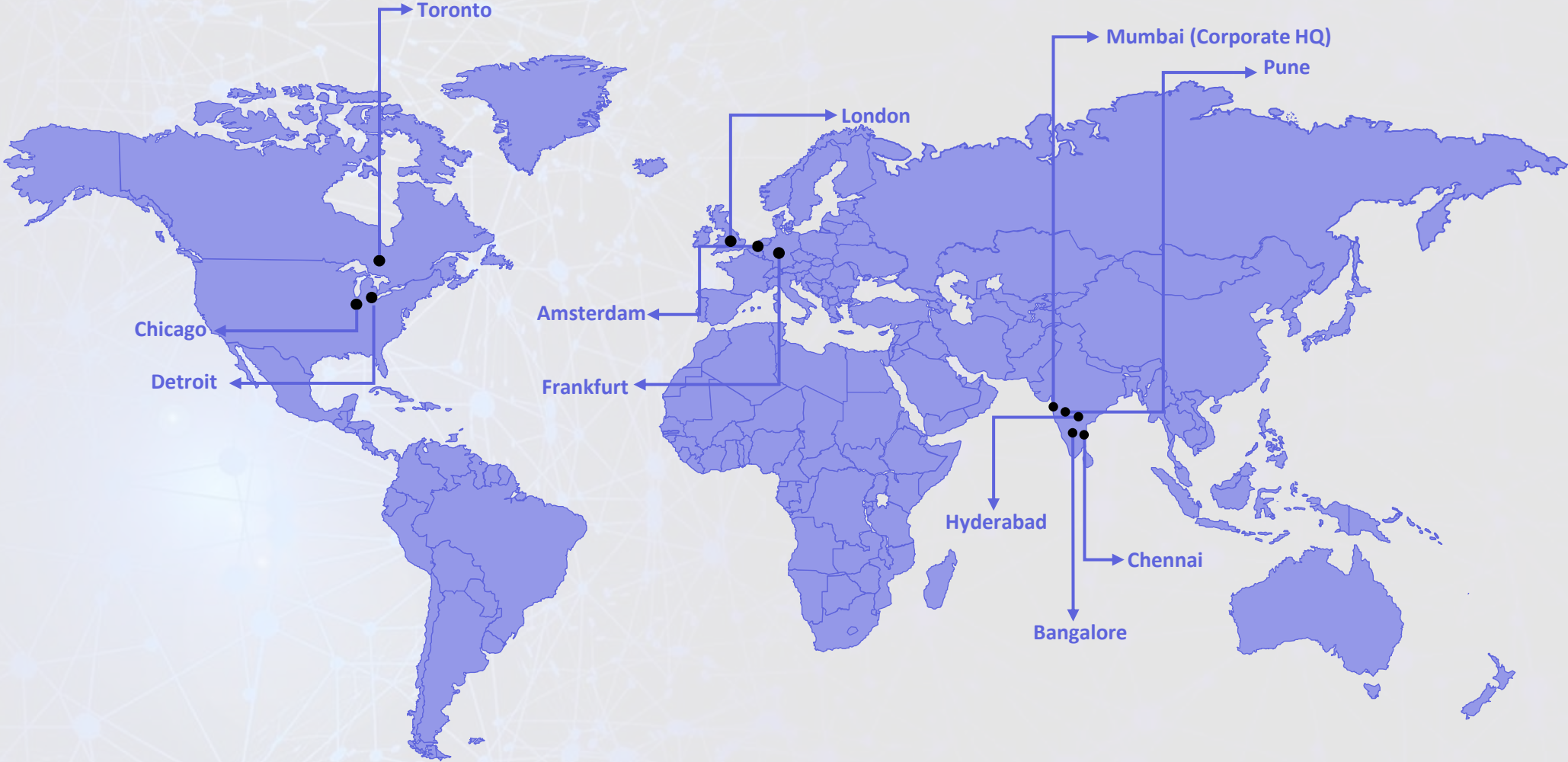
Onward Technologies transformation journey featured as a cover story in October 2023



Strengthened Foundation



Presence Across Geographies



Thank You

The software expert to transform your business at speed and scale.

Onward Technologies (BSE: 517536) (NSE: ONWARDTEC) is a leading digital and ER&D outsourcing firm headquartered in Mumbai. We empower global OEMs with rapid innovation and market readiness, optimizing their R&D returns. A responsible corporate force with 2,500+ professionals across 6 countries, we specialize in Automotive, Industrial Products & Heavy Machinery, and Healthcare & Med Tech verticals. For more information, please visit www.onwardgroup.com

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