

Ref No.: OTL/Secretarial/SE/2024-25/56

Date: October 18, 2024

To,

<b>BSE Limited</b> <b>Phiroz Jeejeebhoy Towers,</b> <b>Dalal Street, Mumbai – 400023</b>	<b>National Stock Exchange of India Ltd.,</b> <b>Plot No. C/1 'G' Block</b> <b>Bandra – Kurla Complex</b> <b>Bandra East, Mumbai 400051</b>
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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 and Half Year Ended September 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 and half year ended September 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

**Q2 FY25**

**18<sup>th</sup> October 2024**

## Disclaimer

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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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01

# Onward Technologies At Glance

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



**2,626**  
Employees



**12** Offices  
**6** Countries



**82**  
Active Clients



Industrial  
Equipment & Heavy  
Machinery (IE&HM)



Transportation  
& Mobility (T&M)



Healthcare & Life  
Sciences (HCLS)



**24% CAGR**  
Revenue  
(FY22 – FY24)



**79% ER&D**  
Revenue  
Contribution



**₹ 89.6 Cr**  
Cash and Bank  
Reserves



**₹ 240.6 Cr**  
Revenue



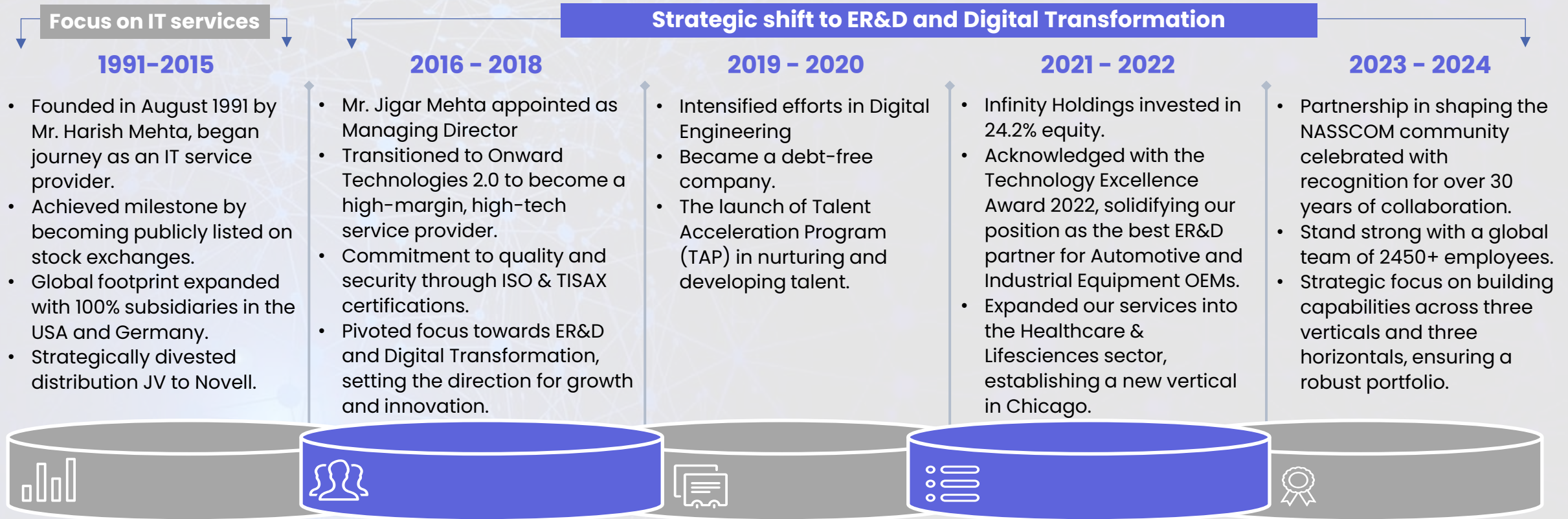
**8.1%**  
EBITDA Margin



**4.4%**  
PAT Margin

*\*All above Financials are for H1 FY25*

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




**Addition of New Infrastructure**

### 2018-2020

- New offices in London, Germany
- All new Embedded lab in Pune
- ER&D delivery center in Chennai, Bangalore

### 2021-2022

- New Digital center in Chennai
- ER&D center in Hyderabad
- Digital Excellence center in Navi Mumbai
- Acquired Pune offshore capability center through 100% internal accruals

### 2023-2024

- Office in Hi-Tech City, Hyderabad
- Embedded lab in Pune
- Delivery center for Healthcare in Balewadi, Pune



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

**02**





## Digital

- Cloud & DevOps
- Application Development & Re-engineering
- Data Engineering & Analytics, NLP, LLM
- RPA in SCM, Mfg.
- Smart Factory Enablement
- Cybersecurity
- Testing Services
- Business Application



## Mechanical

- New Product Design & Sustenance
- Value Engineering including Zero based costing
- Virtual Simulations
- Manufacturing Engineering – Traditional & Digital
- Digital Content Management
- Supply Chain Management



## Embedded

- Platform Services - Hardware, Software
- Connectivity Solutions
- Electrical & Control Systems
- Product Sustenance & Modernization including Obsolescence
- After Market Support
- Verification & Validation

## BUSINESS LINES OF GROWTH & FOCUSED VERTICALS

Global software development, testing and integration for industries of the future.



### Industrial Equipment & Heavy Machinery



### Transportation & Mobility



### Healthcare & Life Sciences

# 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

## 1,350+ Engineers | 55% of revenue in H1 FY25

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 | 38% of revenue in H1 FY25

- 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**



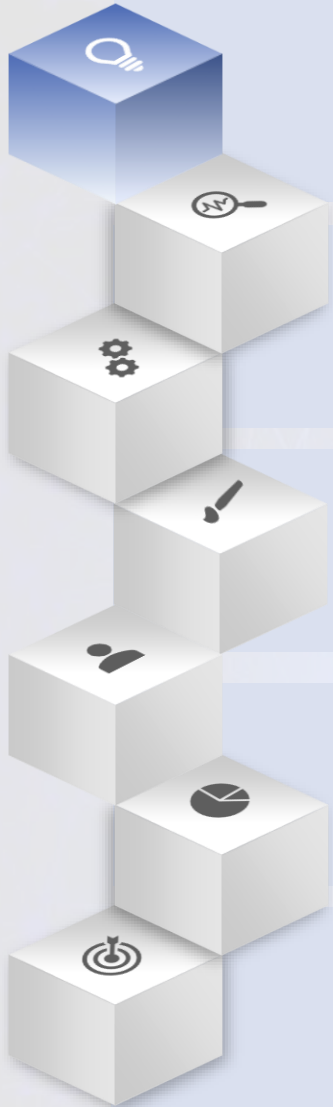
# Future Roadmap

## 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.



## **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**

**04**



- Revenue was at ₹ 123.0 crore, reflecting a growth of 4.6% QoQ and 2.3% YoY.
- EBITDA stood at ₹ 7.9 crore, with EBITDA margin of 6.4% in Q2FY25.
- Continued to maintain momentum in its focused verticals in Q2FY25:
  - Industrial Equipment & Heavy Machinery contributed 55% of consolidated revenues.
  - Transportation & Mobility accounted for 39% of consolidated revenues.
  - Healthcare & Life Sciences contributed 5% of consolidated revenues.
- Top 25 clients contribute 84% of total revenues.
- Total headcount stood at 2,626 employees.

# Consolidated Financial Summary – Q2 / H1 FY25

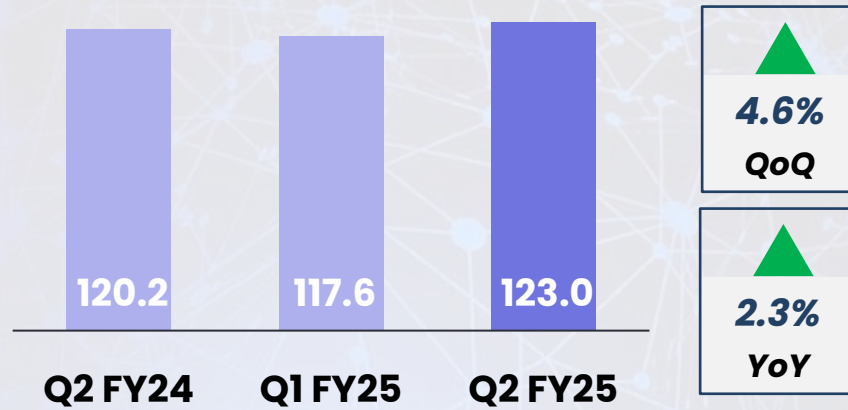
Particulars (in ₹ Crore)	Q2 FY25	Q1 FY25	QoQ Growth	Q2 FY24	YoY Growth	H1 FY25	H1 FY24	YoY Growth
Revenue from Operations	123.0	117.6	4.6%	120.2	2.3%	240.6	239.9	0.3%
Other Income	1.6	1.8	(11.1%)	1.2	33.3%	3.4	1.7	100.0%
<b>Total Revenue</b>	<b>124.6</b>	<b>119.4</b>	<b>4.4%</b>	<b>121.4</b>	<b>2.6%</b>	<b>244.0</b>	<b>241.6</b>	<b>1.0%</b>
EBITDA	7.9	11.7	(32.5%)	15.2	(48.0%)	19.6	31.9	(38.6%)
EBITDA Margin (%)	6.4%	9.9%	(353 bps)	12.6%	(622 bps)	8.1%	13.3%	(515 bps)
EBIT	4.6	8.4	(45.2%)	11.9	(61.3%)	13.0	25.4	(48.8%)
EBIT Margin (%)	3.7%	7.1%	(340 bps)	9.9%	(616 bps)	5.4%	10.6%	(518 bps)
PBT	5.6	9.7	(42.3%)	12.8	(56.3%)	15.3	26.4	(42.0%)
PBT Margin (%)	4.6%	8.2%	(370 bps)	10.6%	(610 bps)	6.4%	11.0%	(465 bps)
PAT	3.6	7.1	(49.3%)	9.5	(62.1%)	10.7	20.6	(48.1%)
PAT Margin (%)	2.9%	6.0%	(311 bps)	7.9%	(498 bps)	4.4%	8.6%	(414 bps)
EPS (₹) - Diluted	1.5	3.1	(51.6%)	4.2	(64.3%)	4.6	8.9	(48.3%)

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.

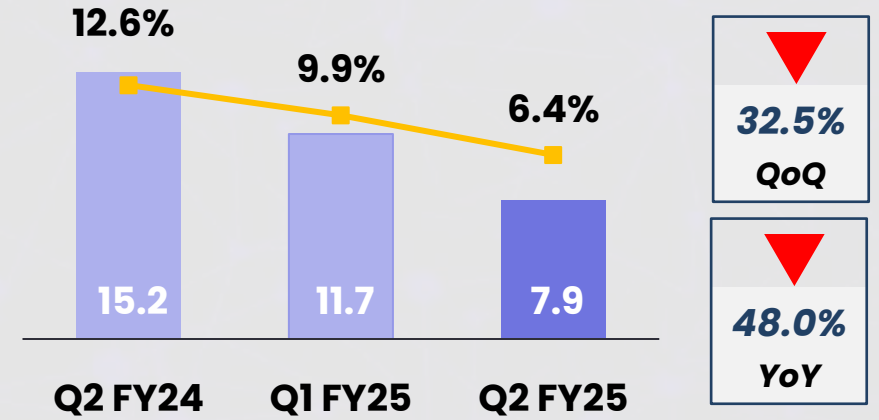
# Consolidated Financial Summary – Q2 FY25

(ALL FIGURES IN ₹ CRORE)

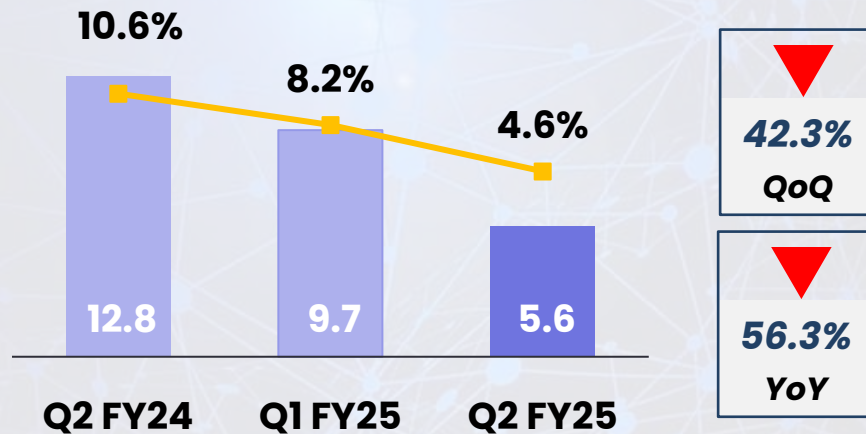
## Revenue from Operations



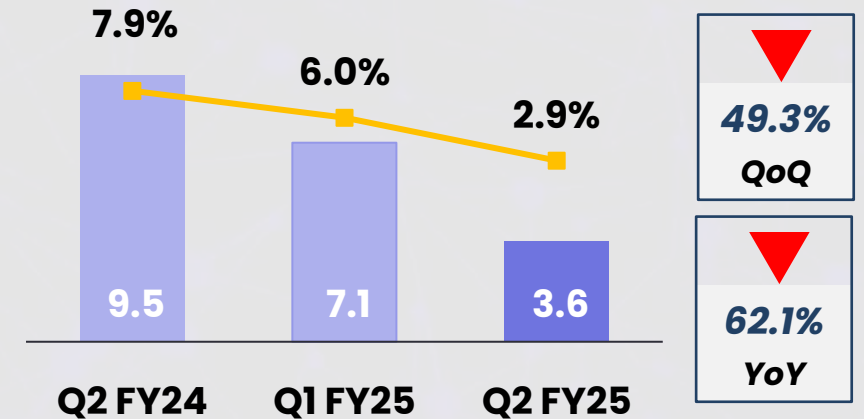
## EBITDA & EBITDA Margin %



## PBT & PBT Margin %



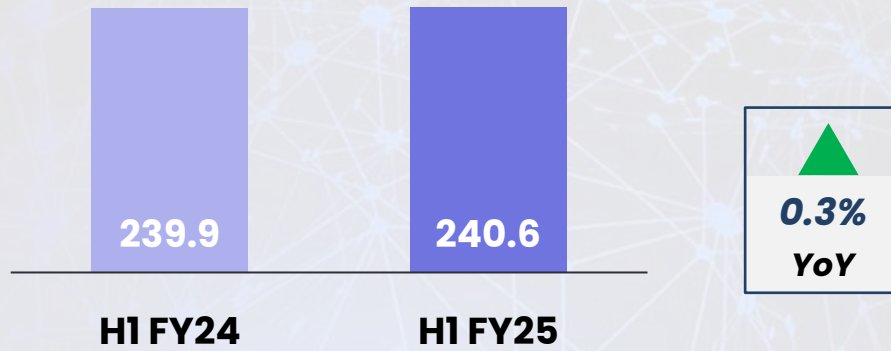
## PAT & PAT Margin %



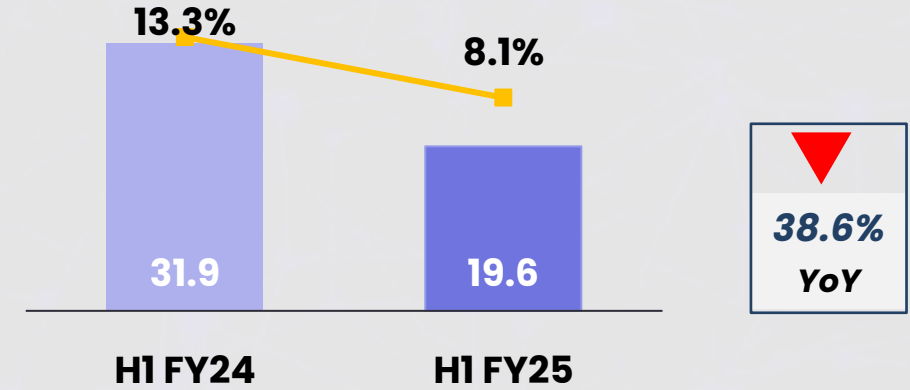
# Consolidated Financial Summary – H1 FY25

(ALL FIGURES IN ₹ CRORE)

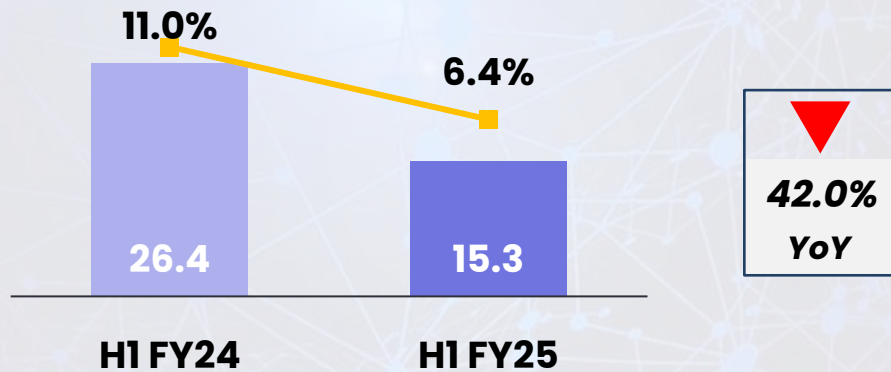
## Revenue from Operations



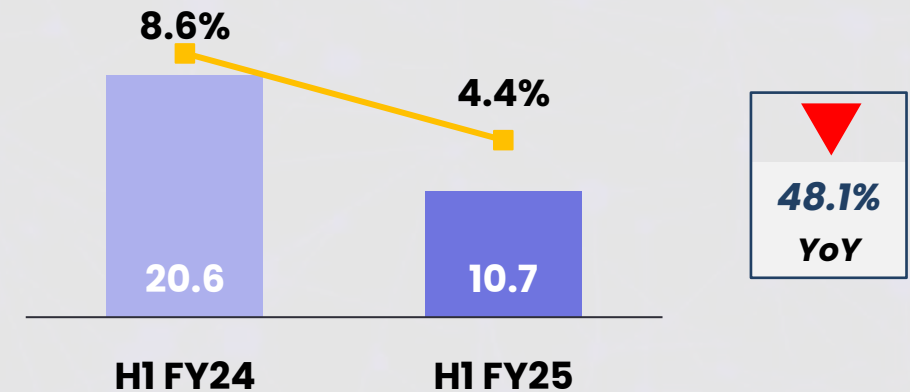
## EBITDA & EBITDA Margin %



## PBT & PBT Margin %



## PAT & PAT Margin %



# Revenue Metrics

Particulars		Q2 FY25	Q1 FY25	Q2 FY24	HI FY25	HI FY24
Revenue by Business (%)	ER&D	78%	81%	57%	79%	59%
	Digital	22%	19%	41%	21%	39%
	ITS	-	-	2%	-	2%
Revenue by Industry (%)	Industrial Equipment & Heavy Machinery (IE&HM)	55%	56%	52%	55%	52%
	Transportation & Mobility (T&M)	39%	37%	37%	38%	36%
	Healthcare & Life Sciences (HCLS)	5%	6%	8%	6%	9%
	Others	1%	1%	3%	1%	3%
Revenue By Geography (%)	USA	35%	36%	38%	35%	39%
	Europe	14%	14%	14%	14%	13%
	India	51%	50%	49%	51%	48%
Revenue By Contract Type (%)	Time & Material	84%	85%	90%	85%	90%
	Fixed Time, Fixed Price	16%	15%	10%	15%	10%
Revenue By Engagement Model (%)	Onsite#	28%	29%	32%	29%	
	Offshore#	72%	71%	68%	71%	

# Updated Classification of Onsite: Offshore Revenue mix as per industry definition, and applicable from Q2 FY24

# Operating Metrics

Particulars		Q2 FY25	Q1 FY25	Q2 FY24	H1 FY25	H1 FY24
Client Base	Active Clients	82	86	96	82	96
	Top 5	51%	51%	50%	51%	49%
	Top 10	68%	68%	67%	68%	66%
	Top 25	84%	84%	85%	84%	84%
	Clients with Annual Billing > USD 1mn	11	11	15	11	15
Employee Metrics	Total Employees	2,626	2,493	2,674	2,626	2,674
DSO	Days	80	77	76	80	76

# 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)
<b>Total Income</b>	<b>328.8</b>	<b>444.3</b>	<b>479.7</b>	
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

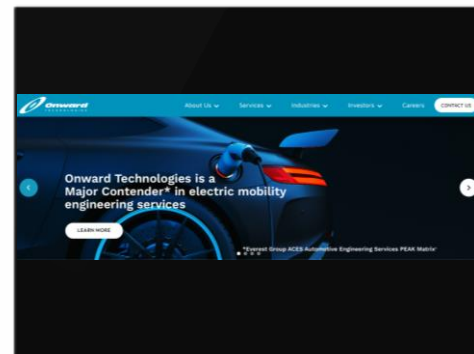
Selected as the Best Employer Brand for the second time in a row at the Employer Branding Awards 2023



## 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

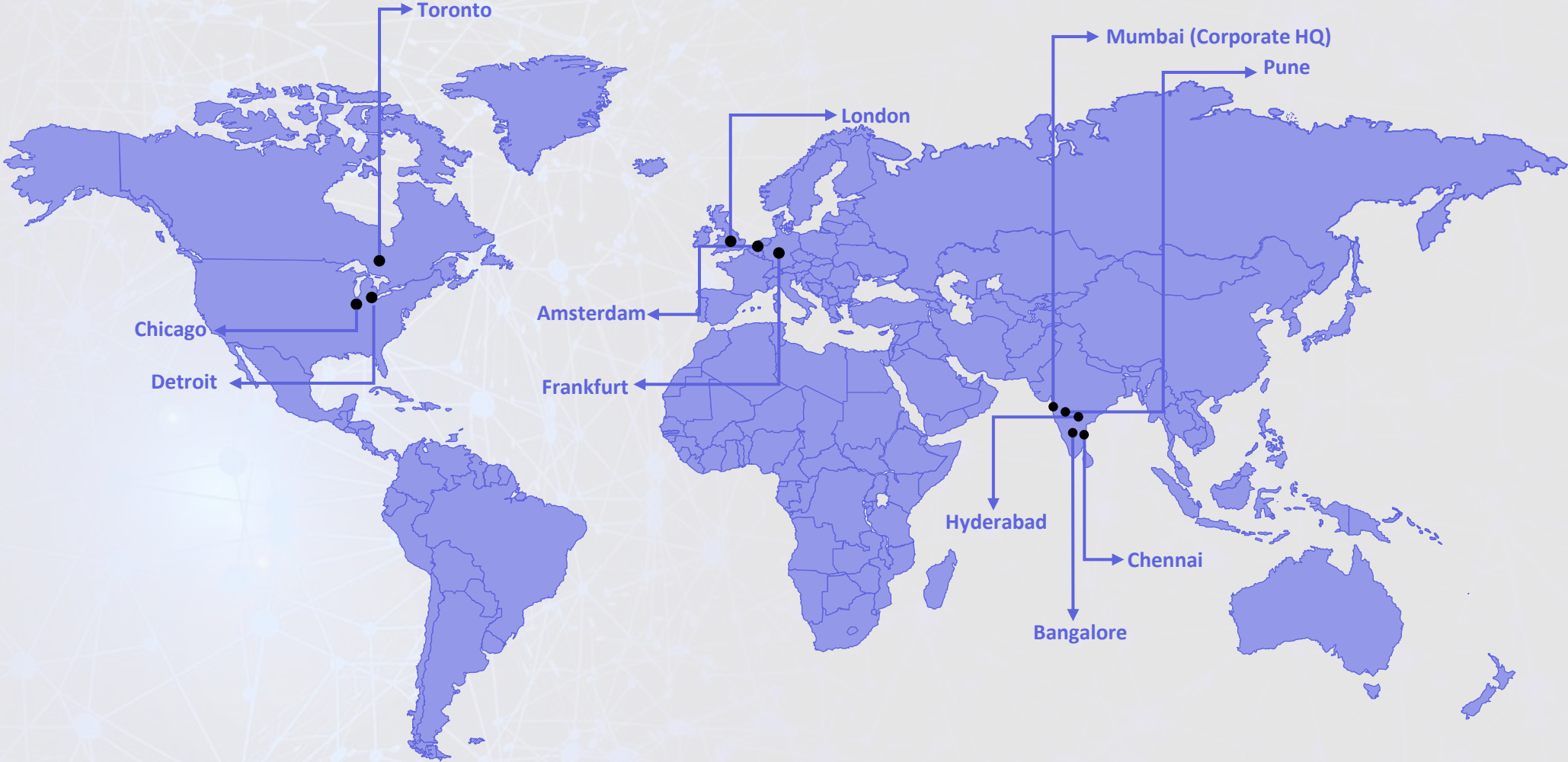
Onward Technologies transformation journey featured as a cover story in October 2023



# 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](http://www.onwardgroup.com)

**For Further Information, Please Contact:**



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