

Onward Technologies Limited – Crosses the Rs 100 crore Quarterly Revenue mark for the first time with 50%+ Revenue growth in Q2 FY23

October 21st, 2022: Onward Technologies Limited (NSE: ONWARDTEC), a software outsourcing company, specializing in digital and ER&D services, announced its results for the quarter and half year ended September 2022.

Q2 FY23 Consolidated Financial Performance:

Revenue	EBITDA	EBITDA Margin	PAT	EPS
INR 1,101 Mn	INR 32 Mn	2.91%	INR 6 Mn	INR 0.25

H1 FY23 Consolidated Financial Performance:

Revenue	EBITDA	EBITDA Margin	PAT	EPS
INR 2,038 Mn	INR 60 Mn	2.94%	INR 18 Mn	INR 0.79

Key Highlights for Q2/H1 FY23

- Revenue in Q2 FY23 grew by 51% year-on-year and by 18% quarter-on-quarter, while for H1 FY23 Revenue grew by 43% year-on-year
- The company experienced substantial growth in revenue from focus verticals Industrial Equipment & Heavy Machinery and Transportation & Mobility, which are contributing of 54% and 30% respectively to the revenues as on H1 FY23.
- Digital services line of business reported double digit contribution at 12% of consolidated revenue
- 15 clients now deliver USD 1 Mn or more in revenues on an annualized basis
- Net addition of 199 employees during the quarter taking the total global headcount to 3037 employees
- The company launched a center for digital excellence in Navi Mumbai, India
- At the Qantic Technology Excellence Awards (Oct 2022), the company won a ‘Best ER&D Partner for Auto & Industrial OEMs’ award

Management Comments:

Commenting on the performance, Jigar Mehta, Managing Director said, “I am excited to announce the company has reported robust revenue growth in Q2 and H1 FY23 across all our focus markets and verticals. In absolute numbers, Q2 FY23 marks our highest ever quarterly revenue, surpassing INR 100 Cr/quarter for the first time. More importantly, it comes on the back of strong growth in contribution from our top 25 clients who account for 78% of revenues in Q2 FY23. 15 Customers have recorded a billing run rate of \$1 million/annum and we will see more momentum on this front as we build deeper relationships with the customer. This quarter we also completed our annual increments for the entire team and new investments in upgrading the infrastructure. With our investment to support new client engagements at the last stage, we will see the returns directly impacting margin in the company quarters. We expect EBITDA margin to trend towards industry level during FY 2024.”

Media Release



About Onward Technologies Limited

Onward Technologies (ONWARDTEC: NSE) 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. Headquartered in Mumbai, India, we are also an employer of choice driving positive change as a responsible corporate citizen. With over 2800 employees across 14 offices in 6 countries and offshore development centers in India, we support multiple businesses in Transportation, Mobility, Industrial Products, Heavy Machinery and Healthcare verticals.

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2022

(INR In lakhs)

Sr. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Revenue from operations	11,010.51	9,367.29	7,294.10	20,377.80	14,253.86	30,726.87
2	Other income	101.34	210.44	410.51	311.78	1,964.59	2,153.11
3	Total Income (1+2)	11,111.85	9,577.73	7,704.61	20,689.58	16,218.45	32,879.98
4	Expenses						
	a) Purchase of software licences	-	-	1.07	-	1.07	1.07
	b) Employee benefits expense	9,082.97	7,607.90	5,438.63	16,690.87	11,320.15	23,881.52
	c) Finance costs	42.67	41.49	23.83	84.16	46.37	100.56
	d) Depreciation and amortisation expense	326.21	307.12	251.60	633.33	493.96	1,010.51
	e) Other expenses	1,611.58	1,467.74	1,128.33	3,079.32	2,394.12	4,703.36
	Total Expenses	11,063.43	9,424.25	6,843.46	20,487.68	14,255.67	29,697.02
5	Profit before tax (3-4)	48.42	153.48	861.15	201.90	1,962.78	3,182.96
6	Tax expense						
	a) Current tax	46.92	54.42	90.03	101.34	116.81	390.70
	b) Deferred tax	(56.41)	(21.50)	212.21	(77.91)	297.90	423.86
	Total tax expense/ (credits)	(9.49)	32.92	302.24	23.43	414.71	814.56
7	Net profit / (Loss) for the period (5 - 6)	57.91	120.56	558.91	178.47	1,548.07	2,368.40
8	Other comprehensive income, net of income tax						
	a) i) items that will not be reclassified to profit or loss	(53.50)	(16.32)	(12.48)	(69.82)	(8.88)	(65.28)
	ii) income tax relating to items that will not be reclassified to profit or loss	13.46	4.11	3.14	17.57	2.23	16.43
	b) i) items that will be reclassified to profit or loss	50.21	162.29	(0.59)	212.50	13.72	(15.43)
	ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income, net of income tax	10.17	150.08	(9.93)	160.25	7.07	(64.28)
9	Total comprehensive income for the period (7+8)	68.08	270.64	548.98	338.72	1,555.14	2,304.12
10	Net Profit/ (loss) attributable to:						
	a) Owners	57.91	120.56	558.91	178.47	1,548.07	2,368.40
	b) Non-controlling interests	-	-	-	-	-	-
11	Other comprehensive income attributable to:						
	a) Owners	10.17	150.08	(9.93)	160.25	7.07	(64.28)
	b) Non-controlling interests	-	-	-	-	-	-
12	Total comprehensive income attributable to:						
	a) Owners	68.08	270.64	548.98	338.72	1,555.14	2,304.12
	b) Non-controlling interests	-	-	-	-	-	-
13	Paid-up equity share capital : (Face value INR 10 each)	2,215.27	2,206.71	1,758.74	2,215.27	1,758.74	2,202.09
14	Other equity						14,118.97
15	Earnings per share (of INR 10 each) (Not annualised for the quarters/six months period)						
	Basic: (in INR)	0.26	0.55	3.18	0.81	9.11	12.62
	Diluted: (in INR)	0.25	0.53	2.84	0.79	8.49	12.17