

# Onward Technologies Limited – Q1 revenue grows 35% YoY to INR 93.7 crores

**July 18th, 2022:** Onward Technologies Limited (NSE: ONWARDTEC), a software outsourcing company, specializing in digital and ER&D services, announced its results for the quarter ended June 2022.

### Q1 FY 23 Consolidated Financial Performance:

Revenue	EBITDA	EBITDA Margin	PAT	EPS
Q1 FY23: INR 937 Mn	Q1 FY23: INR 29 Mn	Q1 FY23: 3.1%	Q1 FY23: INR 12 Mn	Q1 FY23: INR 0.53

### Key highlights for Q1 FY23

- Revenue in Q1 FY23 grew by 35% year-on-year and by 7% quarter-on-quarter, driven by increase in revenues from strategic clients in two key verticals: Industrial Equipment & Heavy Machinery (45%) and Transportation & Mobility (38%)
- 13 clients now deliver USD 1 Mn or more in revenues on an annualized basis
- Net addition of 197 employees during the quarter taking the total global headcount to 2838 employees
- Setting up infrastructure for a new digital center in Navi Mumbai which will be operational from Q2 FY23
- Reduced PAT on account of substantial business-building investments underway as a part of Onward Tech's ongoing transformation into a digitally focused company for the Transportation, Mobility, Industrial Products, Heavy Machinery and Healthcare verticals
- Company was awarded "Engineering Partner of the Year" at InnTech Awards 2022
- In a landmark decision, Income Tax authorities awarded a refund of INR 51.7 Mn to the Company this quarter for a case pertaining to 2008 and includes interest.

### Management Comments:

Commenting on the performance, Jigar Mehta, Managing Director said, *"I am pleased to share that we have recorded a robust Q1 performance driving our highest quarterly revenue at INR 937Mn. We are seeing strong demand for our services in line with our medium-term objectives of achieving USD 100 million of annual revenue.*

*In parallel, Onward Tech continues to exit legacy low margin contracts while focusing on our top 25 global customers who now generate 73% of consolidated revenues. I am proud to announce that today, over half of these customers generate more than USD 1 million in revenue per annum, with visibility towards even higher share of wallet in the quarters ahead.*

*We are undertaking business-building investments in two primary areas 1) Expansion of the sales and service teams across our 7 international offices and 2) A Talent Acceleration Program (TAP) to build capacity in advanced digital capabilities in line with our goal of achieving 50% of our revenues from high margin digital services by 2025. This initiative now has 250 engineers undergoing training across development centers in India, who will be assigned as billable resources next year. These business building investments of approximately INR 25 crores per annum will propel future growth and drive an improved business mix while impacting reported EBITDA margins in the short-term. "*

## 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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