



## Onward Technologies Ltd.

Initiating coverage

### MARKET DATA

NSE TICKER	ONWARD
Networth FY20E(Rs in Crs)	72.7
P/BV Ratio (FY20E) (x)	1.3
EPS (FY20E)(Rs.)	7.8
Market Price (Rs.)	58
P/E Ratio (FY19) (x)	7.9X
52 Week High (Rs)	79
52 Week Low(Rs)	46
Market Capitalisation (rs. Cr)	93.8

### AVERAGE MONTHLY VOLUME ('000)

BSE	0.6
NSE	1.8

### SHARE HOLDING PATTERN

Promoter	61.6
FII	0.0
DII	0.0
Public	38.4

RETURN (%)	3M	6M	12M
Onward	-17.7	-2.9	-1.5
Nifty	-7.6	1.0	2.5

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Onward Technologies Ltd. is an Engineering Design Services (ER&D) and IT Consulting Company based out of India. The Company provides services in Mechanical & Manufacturing Engineering, Digital Transformation, Embedded Products & Systems Development, Mobile & Enterprise Software Development, Data Analytics, etc.

Onward derives ~23% of its revenue from the legacy IT Consultancy business, while major chunk of the revenue comes from high-profit ER&D segment. Going ahead, company's focus will continue to gravitate towards Digital transformation and ER&D space, and incrementally company will also derive revenues from the digital ER&D where it has built its capabilities.

### Investment rationale:

#### ➤ ER&D - The next growth story in the Indian IT space.

According to NASSCOM, the global ER&D spend will be on an upward trajectory and reach ~USD 1.7 trillion by 2023, a growth of 6.7% CAGR in next 5 years. Against this, the Indian ER&D exports is projected to leap from \$36 billion in FY2019 to \$54 billion in FY2022 - a CAGR of 14%. Within ER&D, the share of digital engineering is likely to increase materially and is estimated to grow at ~18% CAGR. We believe that Onward's efforts and investment to establish a base in this industry couldn't come at a more opportune time. Given the small base of its revenue and wallet share of business, Onward is in a sweet spot to grow at double digit rate for the foreseeable future.

#### ➤ Focus to be on scaling ER&D & Digital Transformation business and diversify away from legacy IT business

Blowing with the sectorial tailwinds, going ahead, Onward will focus incrementally on winning more deals in the ER&D segment, which will be a key driver of its revenues and profitability. Over the last few years, while the revenue from IT business (housed under Onward eServices Ltd. (OESL)) grew at a good pace, it still didn't add to company's profitability. While during the same period, revenues from ER&D grew at 6.0% CAGR, and EBITDA grew quicker at 15.6% CAGR.

Onward's clientele boasts of several large global OEMs across industries like Automotive, Off-Highway vehicles, Industrial products, Healthcare, etc. Some of the companies are also industry leaders globally. Currently, company derives miniscule revenues from these companies which can grow multi-fold as it expands its offerings to them. Company is confident of increasing its wallet share of business with existing clients and also add new customers to its portfolio.

#### ➤ Foray into Digital ER&D market to bolster revenue and profitability.

Industry 4.0 is the new buzzword and emerging technologies viz. Artificial Intelligence (AI), Internet of Things (IoT), Machine to Machine (M2M) communication, AR/VR and Big Data are finding application across sectors and industry verticals. Over the last few years, Onward has invested in manpower and technology assets to gain capabilities in many emerging technologies. By leveraging its clientele relationship in ITES and ER&D division, Onward is going to make strides in digital ER&D space, which will ramp up its revenues and profitability. This will also lay a foundation for digital transformation of the company and will lay down a path for future growth in these technologies.



## ➤ Strong financials to help lap up looming opportunities

Along with its business, Onward has also improved its balance sheet materially in last few years materially. From the debt of Rs. 36 cr in FY14, company is expected to become debt free by first half of FY21. Company's return ratios have also strengthened to 18% (RoE) and 20% (RoCE) besides generating free cash-flows consistently. Thus, having cash on the books will help the company in investing in right assets and lap up impending opportunities at appropriate time.

## Financial Snapshot:

Year End	Revenue	EBITDA	EBITDA %	PAT	RoE (%)	RoCE (%)	P/E
FY18	244.5	11.3	4.6%	6.7	14.6%	18.6%	14.3
FY19	259.5	20.9	8.0%	10.1	18.3%	20.1%	9.7
FY20E	275.4	32.0	11.6%	11.6	19.5%	24.3%	8.4
FY21E	310.3	36.8	11.9%	14.7	20.6%	27.5%	6.8

## ➤ Valuation & Views:

- The Indian IT services sector will see a next phase of growth supported by three megatrends in enterprise IT spending thanks to scale adoption of digital transformation, hybrid cloud migration, and AI adoption.
- Having laid the foundation to establish itself in the ER&D and digital transformation space, Onward Technologies Ltd. looks set for secular phase of growth over next 4-5 years. Moreover, management's focus on higher profitability and cash flow will ensure high return ratios for the company.
- We expect Onward to clock a ~10.6% CAGR in revenues between FY19 to FY21 which will translate into PAT CAGR of ~21.4%. We expect company's EPS to grow from Rs. 6.4 to Rs. 9.3. At CMP of Rs. 62, the stock is trading quite cheaply at 7.9X.
- We are valuing Onward at 10X FY21's EPS of Rs. 9.1 to arrive at our target price of Rs. 91 for the stock, which presents a potential upside of 57% from the CMP of Rs. 58. Accordingly, we recommend a BUY on the stock.

## About Company

Onward Technologies Ltd. is an Engineering Design Services (ER&D) and IT Consulting Company based out of India. The company offers range of services, catering to various industries and it can be bucketed as follows:

Engineering Design Services	IT Services
Product life-cycle management	Enterprise SW/Application Development
Value Engineering	Embedded Products and Systems
Product development & prototyping	Data Management & Analytics
Manufacturing Engineering	Enterprise Managed Services
Embedded Systems (ADAS, DIS, AutoSAR)	

Onward employs more than 2500 Engineers and its customer base includes large global manufacturing organizations/OEMs spanning across industry segments, namely automobiles, industrial products, Off-Highway vehicles, healthcare and aerospace.



## ❖ Investment Rationale:

### ➤ ER&D - The next growth story in the Indian IT space.

The Indian IT services sector will see a next phase of growth supported by three megatrends in enterprise IT spending thanks to scale adoption of digital transformation, hybrid cloud migration, and AI adoption.

Engineering Research & Designing (ER&D) are services that augment or manage processes that are associated with the creation of a product or service. It also aids in maximising the life span or yield of a product or an asset. The gamut of ER&D services include product life-cycle management, systems integration, Value Engineering, Product development & prototyping, Manufacturing Engineering, Embedded Systems, etc.

Engineering R&D (ER&D) services and products are the fastest growing segments of the tech industry in India. ER&D involves work that Indian third-party outsourcers do for the core products of their customers, and work that MNC captive centres in the country do for their parents' core products. The digital transformation projects have grown from just the front-end customer experience (CX) focused short-duration interactive assignments to large-scale enterprise transformation projects that aim to modernize the core technology stack.

According to a report by NASSCOM, ER&D services and products constituted \$36 billion of the total revenue of \$177 billion of the Indian tech sector in 2018-19. About \$18 billion of the ER&D revenue came from the 1,567 Global captive Centres (GCC) in India, and about \$14.5 billion from Indian service providers and remaining are product revenue. The pie of ER&D business which is getting outsourced to India is increasing steadily and it can be seen from the fact that the total number of GCCs in India has increased from 981 in 2010 to over 1,600 in 2019. Moreover, the business in dollar terms is also increasing per Centre, showing increase in outsourcing of business by their foreign parent/partner.

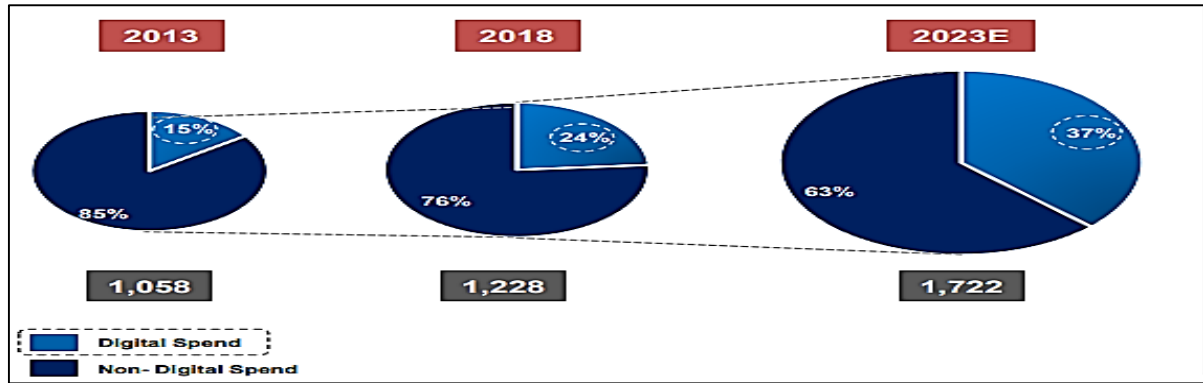
GCCs consist of both back-office IT services and R&D and engineering services. While some old activities that were once the mainstay of GCCs like BPO services are no longer relevant, these have been replaced by new services. Many companies have shifted the focus of their work from traditional approaches to newer technologies like Big Data, Artificial Intelligence, IoT, etc. To also put the importance of these GCCs in perspective; between 2009 to 2016 close to 79% of the US patents awarded to inventors in India went to entities working in these R&D centres.

The revenues of core ER&D players and ER&D segment of large Indian IT behemoths have grown handsomely over the last 5 years as can be seen below:

Segments	FY15	FY16	FY17	FY18	FY19	CAGR
TCS	9242.5	10908.8	12486.0	13361.0	15682.0	14.1%
HCL Tech	12824.6	11073.8	18543.4	19095.0	22476.0	15.1%
LTTS	2561.0	2894.0	3112.0	3507.0	4712.0	16.5%
Cyient	2736.0	3094.0	3586.0	3914.0	4618.0	14.0%
Axiscades	317.6	375.4	486.8	519.2	607.7	17.6%
Tata Elxi	849.0	1075.0	1237.0	1386.0	1597.0	17.1%

(DSPL Research, Ace Equity)

According to NASSCOM, the global ER&D spend will be on an upward trajectory and reach ~USD 1.7 trillion by 2023, a growth of 6.7% CAGR in next 5 years. Indian ER&D exports is projected to leap from \$36 billion in FY2019 to \$54 billion in FY2022 - a CAGR of 14%. Within ER&D, the share of digital engineering is likely to increase materially. Zinnov estimates that globally the corporations spent USD 293 billion in 2018 on digital engineering which will grow to USD 637 billion by 2023, a growth of ~18% CAGR. Thus the share of digital ER&D is expected to increase from ~23% of global ER&D spends to ~37% by 2023.



Source: Zinnov

➤ **Focus to be on scaling ER&D and ramping up from legacy IT business to Digital Transformation Suite**

Onward had started its journey as a traditional IT service company with business offerings akin to a mainstream IT services company; viz. Enterprise solutions, Application development, Operation & Maintenance, etc. Over the last few years, the company has acquired capabilities across various verticals (Mechanical, Embedded and Electronics engineering) which helped them in shedding the tag of stereotype IT Company, and have laid the foundation to establish itself in the fast-growing ER&D and digital transformation segment.

Going ahead, company will focus incrementally on winning more deals in the ER&D & Digital Transformation segments, which will be a key driver of its revenues and profitability. Over the last few years, while the revenue from IT business (housed under Onward eServices Ltd. (OESL)) grew at a good pace, it still didn't add to company's profitability.

Snapshot of OeSL financials	FY15	FY16	FY17	FY18	FY19	CAGR
Revenue	32.6	40.0	49.9	56.1	61.5	17.2%
EBITDA	2.1	2.9	3.3	2.5	2.7	6.3%
EBITDA Margin	6.6%	7.2%	6.7%	4.5%	4.4%	

While the revenues from traditional IT business grew by 17.2% CAGR over the last four years, the growth in EBITDA was much slower at 6.3% CAGR. The legacy business has become commoditized in nature, with the company earning small mark-up over the employee cost involved.

Shift to ER&D has already started to reflect in company's growing top line but more importantly in its profitability. Increase in business from ER&D has disproportionately contributed to company's profitability. While the revenues have grown at 6.0% CAGR, the EBITDA have grown quicker at 15.6% CAGR between FY15 to FY19.

Performance of Traditional IT	FY15	FY16	FY17	FY18	FY19	CAGR
Revenue	156.7	157.9	173.6	188.4	198.0	6.0%
EBITDA	10.2	10.9	7.9	8.7	18.2	15.6%
EBITDA Margin	6.5%	6.9%	4.5%	4.6%	9.2%	

Going ahead, we believe that company will continue to focus on scaling up its ER&D business. The growth in the business will be aided by;

- Increase in its wallet share of business from existing clients. Onward's clientele boasts of several large global OEMs, which are spending billions of dollar in R&D through its captive MNC centre. Onward, being a smaller player, gets a miniscule share of business from this companies. As the company expands its capabilities and offerings, it will be in a good position to lap up more opportunities that would come in its way.

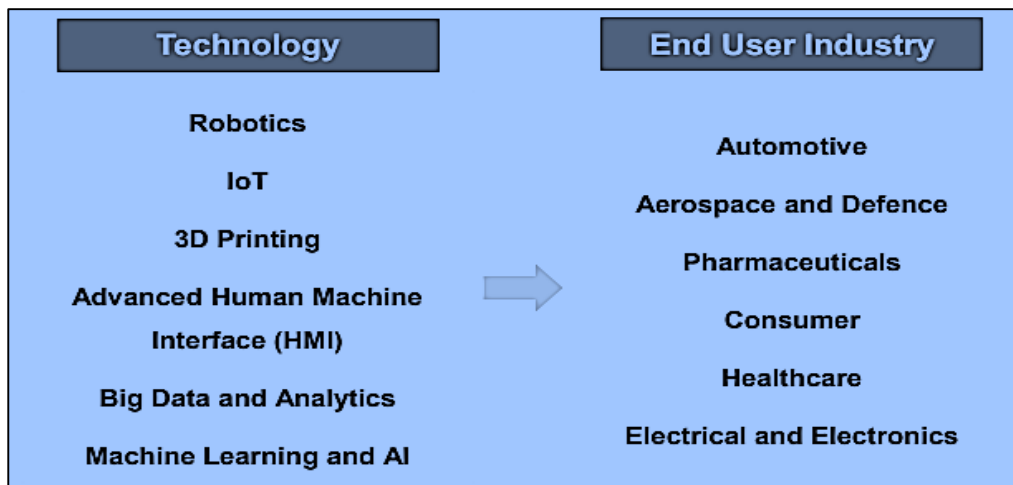


- Company has already made significant breakthroughs in their first few large accounts in the Industrial Equipment, Pharma and Medical Equipment sectors.
- Targeting North American market: Currently, Onward derives ~50% of its ER&D revenues from the North American market. Given that a good chunk of company's clientele is based in North America, Onward aims to increase its revenue contribution from current 50% to more than 70% over next 3 years. The quality of projects sourced from the US would also be superior, and will help the company in gaining more capabilities and margins. Besides North America, company will also be focussing on European region, mainly the UK and Germany.
- Increase the share of offshore business, which will be margin accretive: Currently, ~20-25% of company's ER&D employees work off-shore, while others are deployed onsite. Eventually, company's target is to increase the ratio of offshore business, where the gross margin (revenue per employee less cost per employee is higher).

Business Mix	FY18	FY19	FY20E	FY21E	FY22E
IT Service	23%	23%	22%	21%	20%
ER&D	77%	77%	78%	79%	80%

➤ **Foray into Digital ER&D market to bolster revenue and profitability.**

As discussed above, the digital ER&D segment within the ER&D space is expected to grow at a much faster clip. Increased industry focus on emerging technologies viz. Artificial Intelligence (AI), Internet of Things (IoT), Machine to Machine (M2M) communication, Augmented Reality (AR) / Virtual Reality (VR), 5G, Cyber Security, Advanced Robotics, Mobile Applications and Blockchain are finding use-cases across verticals, as highlighted below



In last couple of years, Onward invested in building its capabilities in digital engineering space. During FY20, company hired several top-level executives and business heads to beef up its managerial and leadership positions. These are all domain experts and bring lot of value to the company. Company expects these investments to start paying dividends going ahead in terms of order wins. Company will tap its existing clients itself, and is confident on getting more business from them.

In FY20, company might be able to generate revenues of ~Rs. 2-3 cr from digital ER&D, but this is going to scale up pretty quickly. By FY22, we expect company to record revenues of Rs. 15-18 cr and will form ~5% of company's total revenues. The traction will continue even afterwards as Onward expands its presence in the digital space.



*Few cases of application of digital technology across industry verticals:*

Sectors	Application of digital ER&D
Transportation	Digital Cockpit, Additive Mfg, Autonomous Car, Active Safety
Industrial Products	Building management, IoT, Energy Storage/Management
Engineering	Plant control mobility solutions, Digital Factory, Integrated manufacturing & supply chain, Plant energy management
Healthcare	Real-time Remote Monitoring, AI in Medical Imaging, Big Data for clinical trials

## ➤ Traditional IT Business to become a cash-cow for the company

During FY20, Onward exited several businesses in this space which were low on margins and high on working capital requirements. This will help them consolidate its resources towards more profitable, cash-yielding projects. This was one of the reasons that the revenue from this segment were flattish compared to previous year.

The contracts in IT segment come with stickiness, and clients stay with the company for 5-10 years. Going ahead, the IT services business will become a cash cow with steady state of growth at 5-6% and stable margins. This segment will generate free cash flows of Rs. 3-4 cr every year on capital employed of Rs. 12.5 cr. Company will use the cash so generated to pursue similar opportunities in high growth clients or grow its ER&D business.

Performance of ER&D	FY18	FY19	FY20E	FY21E	FY22E
Revenue	56.1	60.0	60.9	65.8	71.0
Gross Profit	16.3	13.0	16.3	17.5	18.8
Gross Margin	29.0%	21.7%	26.8%	26.6%	26.5%
EBITDA	2.5	2.7	0.2	3.0	3.3
EBITDA Margin	4.5%	4.5%	0.3%	4.6%	4.7%

- Entry into Government and certain low profitable business led to deterioration in gross margins.
- Company exited these businesses during FY20, leading to flattish growth in sales and also marked improvement in margins.

Within the growth in revenue from Rs.60 cr in FY19 to Rs. 71 cr, a good part is also going to come from the analytics business which again has an element of digital ER&D in it.

## ➤ Strong financials to help lap up looming opportunities

Over the last few years, Onward has not only grown its business efficiently. The focus was on getting quality businesses, and not just increase the top line at the expense of stressing the balance sheet. This helped the company generate free cash flows in all of its previous five years which helped in reducing its debt obligations. Onward's borrowings reduced from Rs. 36 cr in FY14 (D/E of 1.4X) to Rs. 13 cr as at the end of Dec'20 (D/E of 0.2X). The company intends to even pay off this in next year, and become fully debt-free by the end of FY21.

*Consistent generation of free cash flows:*

Particulars	FY15	FY16	FY17	FY18	FY19	FY20E
Operating Cash flows	15.2	10.4	14.4	16.4	10.6	21.3
Capex	-6.5	-3.0	-10.1	-5.0	-5.0	-5.0
Free Cash flows	9.0	13.4	24.5	21.4	15.6	16.3

Consistent cash flow generation and no borrowings on the book acts as an ammunition for the company as it charts its new path of growth. It will be in a position to take some more risks and also



add more capabilities in its arsenal which will help them get larger projects. Onward is also going to receive Income tax refund worth Rs. 10 cr, which will help it in pay off its debt.

In the last few years, many start-ups burned money in ER&D space in their quest to grow rapidly. These companies did well in developing their capabilities, however, it didn't materialize into cash flows leaving them starving for money. A lot of such start-ups are now on the block and available at pretty cheap valuations. With cash on its books, Onward is looking for such bargains which will help it obtain new skill sets as well as clients

*Return ratios on upward trajectory.*

Improvement in company's financials is also evident in company's return ratios which has been in an uptrend.

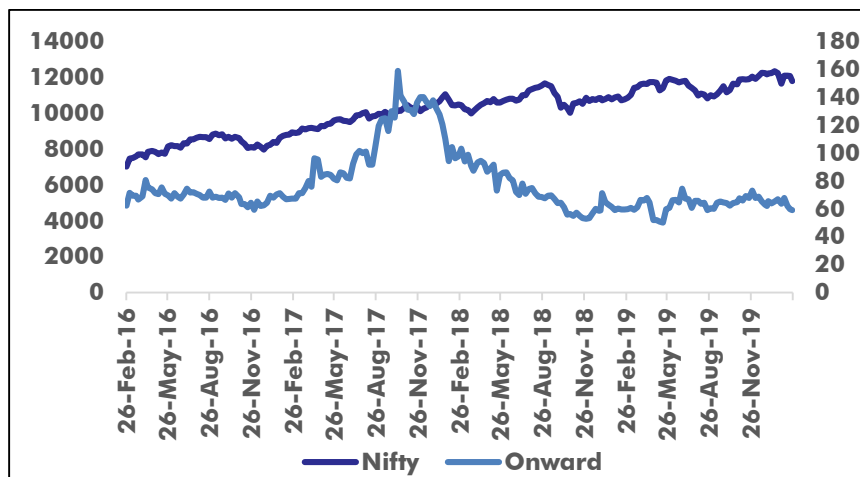
Return Ratios (%)	FY15	FY16	FY17	FY18	FY19
RoE	10.2	9.6	11.0	14.6	18.3
RoCE	13.0	19.4	14.8	15.1	20.1

Better return ratios, reduction in debt and consistent generation of free cash also enabled company to payback dividends to its shareholders. Company has consistently paid dividends in last 4 years, and even going ahead it will continue this practice.

Return Ratios (%)	FY16	FY17	FY18	FY19	FY20E	FY21E	FY22E
Dividend (Rs. per share)	1.0	1.0	1.0	1.5	1.5	1.65	1.8
% of Face	10%	10%	10%	15%	15%	16.5%	18%

## ➤ Valuation & Views:

- The Indian IT services sector will see a next phase of growth supported by three megatrends in enterprise IT spending thanks to scale adoption of digital transformation, hybrid cloud migration, and AI adoption.
- Having laid the foundation to establish itself in the ER&D and digital transformation space, Onward Technologies Ltd. looks set for secular phase of growth over next 4-5 years. Moreover, management's focus on higher profitability and cash flow will ensure high return ratios for the company.
- We expect Onward to clock a ~10.6% CAGR in revenues between FY19 to FY21 which will translate into PAT CAGR of ~21.4%. We expect company's EPS to grow from Rs. 6.4 to Rs. 9.3. At CMP of Rs. 62, the stock is trading quite cheaply at 7.9X.
- We are valuing Onward at 10X FY21's EPS of Rs. 9.1 to arrive at our target price of Rs. 91 for the stock, which presents a potential upside of 67% from the CMP of Rs. 58. Accordingly, we recommend a BUY on the stock.







## ➤ Swot Analysis:

<b>Strength</b>	<ul style="list-style-type: none"><li>• Lean organizational structure and ability of top management to develop intimate relationship with their clientele and understand their requirements.</li><li>• Investment in right personnel and technology assets</li><li>• Robust financials which will help in lapping up emerging opportunity.</li><li>• Strong base of clientele which includes leading global OEMs.</li></ul>
<b>Weakness</b>	<ul style="list-style-type: none"><li>• Small size compared to its larger players like LTTS or Tata Elxsi</li><li>• Limitations in budget to upgrade/acquire technologies</li></ul>
<b>Opportunity</b>	<ul style="list-style-type: none"><li>• Increasing outsourcing from OEM and GCCs.</li><li>• Can increase its wallet share of business from existing set of clients.</li></ul>
<b>Threat</b>	<ul style="list-style-type: none"><li>• Global slowdown, as company derives significant business from overseas markets.</li><li>• Technology obsolescence risks.</li></ul>

## ➤ Risks & Concerns:

- **Global slowdown:** Company derives large portion of its revenues from North America and even going ahead company's growth traction hinges upon the health of the US economy which is at its cyclical high. Therefore, economic slowdown in the US or cyclical downturns in key segments could materially hamper company's performance.
- **Technology challenge:** Inability to innovate and develop new services and solutions to keep up with customer expectations and evolving technologies which could result in lower growth traction.
- **Exchange rate volatility** in various currencies could materially and adversely impact results of operations





➤ Financials:

Onward Technologies Ltd. - Statement of Profit & Loss				
DESCRIPTION	FY18	FY19	FY20E	FY21E
<b>Net Revenue</b>	<b>244.5</b>	<b>259.5</b>	<b>275.4</b>	<b>310.3</b>
EXPENDITURE :				
Software Cost	3.7	4.4	4.8	5.9
as % of Sales	1.5%	1.7%	1.8%	1.9%
Employee Cost	185.8	188.7	203.3	229.2
as % of Sales	76.0%	72.7%	73.8%	73.9%
Operating Expenses	5.9	7.8	3.6	4.0
Professional Fees	13.4	14.2	14.6	16.1
Other Operating & Admin Exp	24.4	23.5	17.2	18.2
<b>Total Expenditure</b>	<b>233.2</b>	<b>238.6</b>	<b>243.4</b>	<b>273.4</b>
<b>EBITDA (Ex OI)</b>	<b>11.3</b>	<b>20.9</b>	<b>32.0</b>	<b>36.8</b>
EBITDA Margin	4.6%	8.0%	11.6%	11.9%
Depreciation	5.5	5.7	11.9	13.5
<b>EBIT</b>	<b>5.8</b>	<b>15.2</b>	<b>20.0</b>	<b>23.3</b>
Other Income	4.8	2.7	0.8	0.9
Interest	3.0	2.7	3.8	2.5
<b>Profit Before Taxation</b>	<b>7.5</b>	<b>15.2</b>	<b>17.1</b>	<b>21.6</b>
Provision for Tax	0.8	5.1	5.5	6.9
<b>Profit After Tax</b>	<b>6.7</b>	<b>10.1</b>	<b>11.6</b>	<b>14.7</b>
<b>Adjusted EPS</b>	<b>4.3</b>	<b>6.4</b>	<b>7.4</b>	<b>9.1</b>

Onward Technologies Ltd.- Balance Sheet				
DESCRIPTION	FY18	FY19	FY20E	FY21E
Share Capital	15.5	15.8	15.8	16.2
Warrants	3.3	3.3	3.3	2.9
Total Reserves	31.0	41.9	53.6	69.4
<b>Shareholder's Funds</b>	<b>49.8</b>	<b>61.0</b>	<b>72.7</b>	<b>88.5</b>
Total Borrowings	33.5	25.8	13.9	0.0
Lease Liability	0.0	0.0	21.2	21.2
Other Non-Current Liabilities	1.2	0.6	0.6	0.7
<b>Total Non-Current Liabilities</b>	<b>34.7</b>	<b>26.4</b>	<b>35.7</b>	<b>21.9</b>
Trade Payables	7.8	6.1	7.4	8.3
Other Current Liabilities	19.1	20.7	22.0	24.7
<b>Total Current Liabilities</b>	<b>26.9</b>	<b>26.8</b>	<b>29.3</b>	<b>33.0</b>
<b>Total Liabilities</b>	<b>111.4</b>	<b>114.2</b>	<b>137.7</b>	<b>143.4</b>
Fixed Assets	15.6	15.4	14.7	13.4
Right to Use Assets	0.0	0.0	21.7	23.9
Other Non-Current Assets	16.6	20.7	19.9	16.3
<b>Total Non-Current Assets</b>	<b>32.2</b>	<b>36.2</b>	<b>56.3</b>	<b>53.6</b>
Sundry Debtors	45.6	48.9	49.4	55.7
Cash and Bank	18.8	13.1	15.1	15.1
Other Current Assets	14.8	16.0	16.9	19.1
<b>Total Current Assets</b>	<b>79.2</b>	<b>78.0</b>	<b>81.4</b>	<b>89.8</b>
<b>Total Assets</b>	<b>111.4</b>	<b>114.2</b>	<b>137.7</b>	<b>143.4</b>



Onward Technologies Ltd. - Cash Flow Summary				
DESCRIPTION	FY18	FY19	FY20E	FY21E
PAT (ex OI)	6.7	10.1	13.6	16.3
Add: Depreciation	5.5	5.7	5.8	6.8
Change in WC	-1.6	-9.0	1.9	-1.0
<b>Cash From Operating Activities</b>	<b>10.6</b>	<b>6.7</b>	<b>21.3</b>	<b>22.1</b>
<b>Cash from Investing Activities</b>	<b>-2.7</b>	<b>-5.7</b>	<b>-5.0</b>	<b>-5.7</b>
<b>Free Cash Flows</b>	<b>7.9</b>	<b>1.0</b>	<b>16.3</b>	<b>16.4</b>
<b>Cash from Financing Activities</b>	<b>7.3</b>	<b>-6.7</b>	<b>-14.3</b>	<b>-16.6</b>
Net changes In Cash	<b>15.2</b>	<b>-5.7</b>	<b>2.0</b>	<b>-0.2</b>
Opening Cash Balance	3.6	18.8	13.1	15.1
<b>Closing Cash Balance</b>	<b>18.8</b>	<b>13.1</b>	<b>15.1</b>	<b>14.9</b>

Onward Technologies Ltd. - Key Ratios				
DESCRIPTION	FY18	FY19	FY20E	FY21E
EBITDAM (%)	4.6%	8.0%	12.0%	12.0%
ROE (%)	14.6%	18.3%	20.4%	20.6%
ROCE (%)	18.6%	20.1%	25.5%	27.6%
Receivable days	70	66	65	65
Payable days	8	10	10	10
Total Debt/Equity(x)	0.7	0.4	0.2	0.0
Current Ratio(x)	2.9	2.9	2.8	2.7
Interest Cover(x)	1.9	5.6	5.6	9.5
Adjusted P/E Ratio	14.3	9.7	7.9	6.7
Price/ Book value	1.9	1.6	1.3	1.1



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