



**INVESTOR
PRESENTATION**

Q1 FY22



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● Leadership Team



KRISHNA BODANAPU
Managing Director & CEO



AJAY AGGARWAL
Executive Director & CFO



KARTHIK NATARAJAN
Executive Director & COO



Highlights

- Financial Highlights
- Business Highlights



Financial Update

- Revenue
- Income statement update
- Margin bridge
- Cash generation



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- BU performance update

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● Highlights for the Quarter

Revenue

6.7% YoY / -3.2% QoQ (₹ terms)
9.9% YoY / -4.2% QoQ (\$ terms)

Quarterly revenue at **\$143.5Mn/₹10,582Mn**

EBIT Margin @13.1%

Services EBIT margin at **14.6%**
DLM EBIT margin at **5.9%**

PAT Margin @ 10.9%

PAT for the quarter at **₹1,150 Mn**

Financial Highlights for Quarter

- Group revenue at **\$143.5 Mn**; growth of **9.9%** YoY and de-growth of **4.2%** QoQ (**4.3%** in CC)
- Services revenue at **\$119.3 Mn**; growth of **6.3%** YoY and de-growth of **0.3%** QoQ (**0.4%** in CC)
- DLM revenue at **\$24.2 Mn**; growth of **31.7%** YoY and de-growth of **20%** QoQ
- EBIT margin at **13.1%** up by **797 bps** YoY and **48 bps** QoQ; **Highest ever in the last six years:**
- Free Cash Flow generation for the quarter at INR **₹848 Mn**, a conversion of **43.6%** on EBITDA (conversion of **73.7%** on PAT)
- PAT at **₹1,150 Mn** for the quarter; growth of **41.3%** YoY and **3.9%** QoQ

● Highlights for the Quarter (1/3)

John Deere

Partner-level Status in 'Achieving Excellence Supplier Program'

- Cyient has earned Partner-Level status in the John Deere Achieving Excellence (AE) Program for 2020
- This is Deere & Company's highest supplier rating

HMLR

Support HMLR to Centralize and Digitally Register the Local Land Charges Records

- Cyient been selected by HM Land Registry (HMLR) to support its Local Land Charges (LLC) Program in July 2021
- Cyient has partnered with Esri UK and Xerox to deliver this project.

NASSCOM® ENGINEERING R&D SHOWCASE 2021

Top Honors at NASSCOM Engineering and Innovation Excellence Awards 2021

Cyient won four awards at the inaugural edition of the NASSCOM Engineering and Innovation Excellence Awards 2021 in the following categories:

- **Social Impact Solution of the Year** – Engineered by Molbio and manufactured by Cyient, Truenat is a first-of-its-kind portable RT-PCR testing kit that enables rapid testing at scale
- **Engineered in India Product of the Year (2 awards)** -
 - Cyient's Smart Power Distribution Panel (SPDP) provides efficient and reliable power distribution within aircrafts and ensures the highest standards of safety
 - An indigenously developed solution, Cyient's SDR combines state-of-the-art technology to create an advanced communication solution for the Indian army
- **Service Delivery Excellence of the Year** – Cyient harnessed the power of 5G to connect 20 million individuals across urban, semi-urban, and rural Australia

● Highlights for the Quarter (2/3)

CYIENTIF iQ

Commitment to Innovation with CyientflQ

- Launched innovation platform - CyientflQ, with focus on jointly developing future ready IP-driven solutions between the company's innovation evangelists and its collaborative ecosystem
- The CyientflQ program is Cyient's strategic way forward to rise in the innovation quotient index and attract top talent from across technologies and domains

CyiOPS

CyiOPS (Cyient Outage Planning & Scheduling) Solution for Utility Company Outage Planning and Scheduling

- CyiOPS—hosted on Microsoft Azure, consolidates outage planning and approval process within a central location to provide improved information flow for optimizing schedule plans
- Provides transparency in communicating planned outages to all connections that may be impacted. Reduced outages on network and easy risk/opportunity tracking, helping reduce outage costs that can affect operational budgets

CYIENT LAUNCHES ITS INAUGURAL SUSTAINABILITY REPORT 2020-21

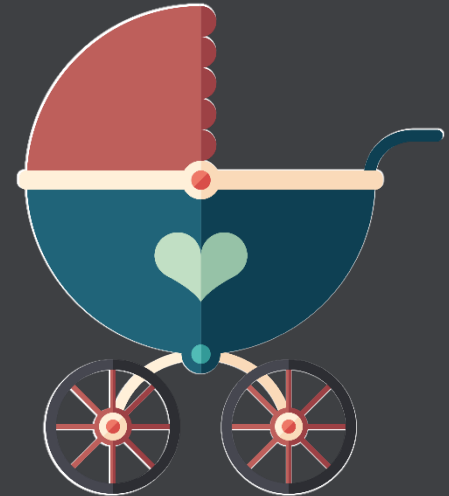
Launch of first sustainability report - Sustainability Goals for 2025

- Cyient is doubling down on addressing the growing climate crisis by committing to carbon and water neutral operations and ensuring zero waste to landfills
- Within this period, the company also aims to achieve gender balance at the workplace, offer continuous employee training and development, and undertake numerous community development programs

● Highlights for the Quarter (3/3)

New Gender-Neutral Parental Leave Policy

- Cyient employees, including birth and adoptive parents of any gender, can take up to 12 weeks of paid time off at full pay following the birth or adoption of their child
- In-line with practices and policies to foster an inclusive culture and empower our associates with a better work-life balance
- Cyient's new parental leave policy will make a significant difference in countries where mandated parental leave policies are not sufficient for new parents or they do not apply to primary and secondary caregivers
- This policy applies to all Cyient employees globally





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● Revenue for Q1 FY22

Revenue	Q1 FY22	QoQ	YoY	Q4 FY21	Q3 FY21	Q2 FY21	Q1 FY21
Group							
\$ Mn	143.5	-4.2%	9.9%	149.9	141.4	135.0	130.6
₹ Mn	10,582	-3.2%	6.7%	10,932	10,443	10,033	9,917
Services							
\$ Mn	119.3	-0.3%	6.3%	119.6	115.3	114.1	112.2
₹ Mn	8,795	0.8%	3.2%	8,722	8,521	8,487	8,521
DLM							
\$ Mn	24.2	-20.0%	31.7%	30.3	26.0	20.9	18.4
₹ Mn	1,786	-19.2%	28.0%	2,210	1,921	1,546	1,396

- Services growth stood at 6.3% YoY with the non-Aero divisions' growth of 14.4% YoY
- DLM growth stood at 31.7% YoY
- Group growth stood at 9.9% YoY

Revenue USD Mn	By Geography (%)			\$ Mn	QoQ growth	YoY growth
	Q1 FY22	Q4 FY21	Q1 FY21			
Group						
NAM	47.9%	47.5%	52.3%	68.8	-3.3%	0.7%
EMEA	28.4%	24.6%	24.0%	40.7	10.4%	29.9%
APAC incl India	23.7%	27.9%	23.7%	34.0	-18.8%	9.6%

Income statement for Q1 FY22

All Figures in ₹ Mn	Q1 FY22	Q4 FY21	Q1 FY21
Revenue	10,582	10,932	9,917
EBIT (Reported)	1,388	1,073	511
EBIT (Normalised)	1,388	1,382	511
PAT (Reported)	1,150	1,031	814
PAT (Normalised)	1,150	1,107	814
EPS (₹ Reported)	10.5	9.4	7.4
EPS (₹ Normalised)	10.5	10.1	7.4

All Figures in %	Q1 FY22	Q4 FY21	Q1 FY21
Gross Margin	35.9%	36.0%	30.5%
EBIT Margin (Reported)	13.1%	9.8%	5.2%
EBIT Margin (Normalised)	13.1%	12.6%	5.2%
ETR	25.1%	23.4%	25.0%
PAT Margin (Reported)	10.9%	9.4%	8.2%
PAT Margin (Normalised)	10.9%	10.1%	8.2%

QoQ EBIT Movement

- Consolidated EBIT margin stood at 13.1%; higher by 797 bps YoY and by 48 bps QoQ
- Services EBIT margin is highest ever in the last six years at 14.6%; up by 783bps YoY and by 97 bps QoQ. QoQ improvement was driven by improvement in operational metrics 93 bps and lower SG&A spend 176 bps partly offset by merit increase (176 bps). (Please refer slide 12)
- DLM margins at 5.9% higher by 1055 bps YoY and lower by 286 bps QoQ

Profit After Tax Movement

- Normalized PAT increased by 41.3% YoY and 4.9% QoQ primarily from higher other income, partially offset by higher taxes
- ETR is 25.1%. Higher by 168 bps from Q4 FY21 ETR of 23.4%

EBIT Margin Bridge for Q1 FY22

Particulars	
Normalized EBIT Q4 FY21 (Group)	12.6%
Add: DLM impact	97 bps
EBIT Q4 FY21 (Services)	13.6%
Tailwinds in Q1 FY22	
<i>Improvements in operational metrics</i>	93 bps
<i>Lower SG&A spend</i>	176 bps
Headwinds in Q1 FY22	
<i>Impact of merit increase</i>	176 bps
EBIT Q1 FY22 (Services)	14.6%
Less: DLM impact	146 bps
EBIT Q1 FY22 (Group)	13.1%

Cash Generation for Q1FY22

All Figures in ₹ Mn	Q1FY22	Q4 FY21	Q1 FY21
Services			
Profit before tax	1,466	1,204	1,141
(+/-) Non-cash & non-operating items	288	411	380
Operating profit before WC changes	1,754	1,615	1,521
(+/-) DSO Movement (Receivables)	(95)	540	662
(+/-) Other WC changes	(435)	4	511
Operating CF after WC changes	1,224	2,158	2,694
Less: Taxes	(179)	(415)	(164)
Less: Capex	(181)	(77)	(451)
FCF Services	863	1,667	2,078
DLM			
Free Cash Flow generated (DLM) - ii	(16)	230	85
Group FCF (i+ii)	848	1,897	2,163
FCF to EBITDA Conversion [^]	43.6%	101.3%	138.1%
FCF to Normalized PAT Conversion	73.7%	171.4%	265.6%

[^]EBITDA used for FCF conversion includes other income part of cash flow from operations

Cash Generation

- Cash and cash equivalents at healthy level of **₹15,262 Mn**
- In Q1, the free cash flow conversion stood at **49.4%** for Services and **43.6%** for group:
 - FCF from services was lower by 48.2% QoQ due to lower collections and higher capex
 - DLM has consumed a cash of **₹16 Mn** in Q1
- **We are tracking full year cash conversion to 65-70%**



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● BU Performance Q1 FY22

Business Units \$ Mn	Q1 FY22	QoQ	YoY
Transportation	46.6	0.5%	-3.6%
Aerospace	30.9	2.0%	-11.5%
Rail transportation	15.7	-2.5%	17.2%
C&U	43.3	2.4%	16.8%
Communications	35.5	2.0%	18.2%
Utilities	7.8	4.4%	10.6%
Portfolio	29.3	-5.0%	9.6%
Services (i)	119.3	-0.3%	6.3%
DLM (ii)	24.2	-20.0%	31.7%
Group (i+ii)	143.5	-4.2%	9.9%

- Services de-growth stood at 0.3% QoQ and 0.4% in cc
 - Registered growth in the A&D, despite headwinds; clocked a 2% sequential growth in Q1 FY22
 - Q1 FY22 was the best ever quarter for Communications. Delivered a growth of 2% for the sequential quarter, despite a higher revenue base
 - Highest ever offshore mix of 47.3% in the last 5 years
- DLM de-growth stood at 20% QoQ
- Group de-growth stood at 4.2% QoQ and 4.3% in cc

Order Intake (\$ Mn)[^]

Particulars	Q1 FY22	QoQ	YoY
Cyient Services	119.9	-27.8%	21.7%
DLM	20.3	-71.7%	11.2%
Group OI Total	140.3	-41.1%	20.0%

[^]The Order Intake reported is the total value of all orders received during the period. Some of these orders are multi year and can be executed over more than 12 months

- **Won 4 large deals with total contract potential of ~\$46 million (3 from services and 1 from DLM)**



**BUSINESS
PERFORMANCE
& OUTLOOK**

● Business Performance & Outlook (1/3)

Communications and Utilities

Communications: Communications Unit delivered a growth of 2% for the sequential quarter, on the top of the 2.2% growth in the previous quarter. This quarter was best ever quarter for Communications unit and this consistent improvement in performance was enabled by:

- Increasing investments in our focus segments (broadband and wireless) across the globe (our core segments)
- Increasing focus on technology led transformation of network design, deployment & transformation (our core focus areas)
- Our ability to harness our core capabilities and a focused strategic approach to stay ahead of the above demand curve

We won a major deal Q1, in the area of 'Green Networks' where we will support a major telco's effort to build and maintain sustainable and environmental friendly networks. We have benefitted from accelerated deployment of 5G networks which are now about 10% of our revenue portfolio for this segment. The outlook for this segment in FY22 remains positive, supported by favorable industry trends, and enabled by our strategic transformation program.

Utilities: Utilities unit delivered a growth of 4.4% for the sequential quarter, on the top of the 3.9% growth from previous quarter. Q1 was a particularly strong quarter for this segment, which saw us close a high value deal. We also witnessed a positive change in revenue mix and increase in offshoring. We are currently executing a major transformational program for a leading Utility in the US, helping them to deploy a cloud native next generation spatial information system to enhance their user experience. Our approach to focus on such technology led transformational programs has helped us build a strong pipeline of deals along with our partners, which we believe will translate into a differentiated positioning for our Utilities practice.

● Business Performance & Outlook (2/3)

Transportation

Transportation BU unit witnessed a growth of 0.5% QoQ and a de-growth of 3.6% YoY. The Aerospace business witnessed growth in key account, whereas the Rail business stayed almost flat due to a right shift in the some the rail projects. The Rail business is projected to grow in Q2 as these projects resume. There is increased spend in infrastructure projects across all geographies leading to healthy order books for all Rail customers. Additionally, the ongoing integration of our key rail transportation client has opened opportunities for Cyient to capitalize upon and further grow the business. The Aero Business is stabilizing with almost 65 - 75% of the passenger traffic, back to pre-pandemic level. There is focus to improve efficiency and spend on automation and digital initiatives which we are well placed to cater.

Transportation BU continues to make investments in growing business across embedded systems and aftermarket digital services. Additionally, we are making investments by extending to Adjacency Segments such as Airline & Rail Operators as well as Defense segment. There is a high demand to reduce costs on products leading to seeking supply chain solutions from India for design and manufacturing. As the industry continues to recover from the financial impact caused by the pandemic, our automation and digital solutions are gaining traction amongst our customers, as a way to enhance their overall operational cost efficiency.

DLM

DLM Revenue for Q1 FY22 stood at \$24.2 and witnessed a de-growth of 20% QoQ. The drop in the Q1 FY22 revenue was seasonal and we expect to grow 20% YoY for the full year. A strong order pipeline coupled with an order backlog gives us good visibility for growth in FY22. We continue to see opportunities as more and more businesses move out of China and the focus on "Make in India."

● Business Performance & Outlook (3/3)

Portfolio of Services

Medical Technology and Healthcare witnessed positive growth in Q1 FY22. This was driven by engineering and digital services contracts across multiple key accounts. The outlook for this sector for FY22 remains positive as we continue to execute and ramp up on recent contracts while strengthening our pipeline focused on digital transformation, embedded software, and design-led manufacturing services

Automotive and Off Highway: In Off Highway sub-segment, proactive corrections have been initiated for improving longer term sustainability of business which resulted in an expected short term top line impact. This was nullified by the continued growth of our new strategic focus sub-segment of automotive globally. We see positive signs for growth based on two drivers:

- New project wins resulting out of supplier consolidation activities
- Digitalization trend for the off highway sub-segment

Semiconductor unit has seen de-growth QoQ driven by project milestones and phasing of revenue. The solutions business continues to witness steady recovery from the pandemic scenario. The talent market in this vertical is getting increasingly competitive as customer demand for engineering services remains strong

Energy, Industrial Plant Engineering unit provides end-to-end capabilities across the energy value chain for oil and gas, industrial systems, and plant engineering. This BU witnessed sequential growth driven by traction in key accounts. The outlook remains positive supported by active DLM and large deal pipeline

Mining and Natural Resources witnessed a de-growth in Q1 FY22. This was due to reassignment of accounts as a result of the restructuring and slower than anticipated project start-ups in Australia due to COVID-19 lockdowns. We will see a recovery in Q2 with a number of new logos won and growth in key accounts. Commodity demand and prices remain strong. Our customers are experiencing labor constraint which creates opportunities to promote accelerated adoption of global engineering models.

Geospatial witnessed a de-growth in Q1 FY22 due to seasonality. Demand environment is strong for this vertical as the world emerges from pandemic with growth across the industry and key Geospatial specific verticals like Mining, Communication and Utilities

● Outlook for FY22



Revenue

- We continue to expect to grow double digit in FY22 in Services with growth coming back from Q2
- DLM will also grow about 20% in FY22 as indicated at the beginning of the year



EBIT Margin

- We also maintain that for the full year we expect the margins to improve at least by 200 bps
- Margins in DLM for the full year will also improve by 200 bps.



Others

- As mentioned at the beginning of the year, we do not expect any export incentives in FY22
- We also maintain that our FY22 ETR will around 25-26%

● About Cyient

Cyient (Estd: 1991, NSE: CYIENT) is a global engineering and technology solutions company. As a Design, Build, and Maintain partner for leading organizations worldwide, Cyient takes solution ownership across the value chain to help customers focus on their core, innovate, and stay ahead of the curve. The company leverages digital technologies, advanced analytics capabilities, domain knowledge, and technical expertise to solve complex business problems.

Cyient partners with customers to operate as part of their extended team in ways that best suit their organization's culture and requirements. Cyient's industry focus includes aerospace and defense, healthcare, telecommunications, rail transportation, semiconductor, geospatial, industrial, and energy.

For more information, please visit www.cyient.com. Follow news about the company at @Cyient

Contact Details:

Investor Relations

Mayur Maniyar

M: +91 9224126705

E: mayur.maniyar@cyient.com

Media Relations

Devina Wallang

M: + 91 7829673285

E: devina.wallang@cyient.com

● Disclaimer

All the references to Cyient's financial results in this update pertain to the company's consolidated operations comprising:

Wholly-owned and step down subsidiaries: Cyient Europe Limited; Cyient Inc.; Cyient GmbH; Cyient Australia Pty Ltd; Cyient Singapore Private Limited; Cyient KK; Cyient Israel India Limited; Cyient Insights Private Limited, Cyient DLM Private Limited, Cyient Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; AnSem B.V.; Cyient AB; Integrated Global Partners Pty Limited; Integrated Global Partners Pte. Limited; Integrated Global Partners SpA and IG Partners South Africa (Pty) Ltd

Partly owned subsidiary: Cyient Solutions and Systems Private Limited.

Joint venture: Infotech HAL Ltd

The income statement and cash flow provided is in the internal MIS format. MIS format is different from the income statement and cash flow published as part of the financial results, which is as per the statutory requirement.



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