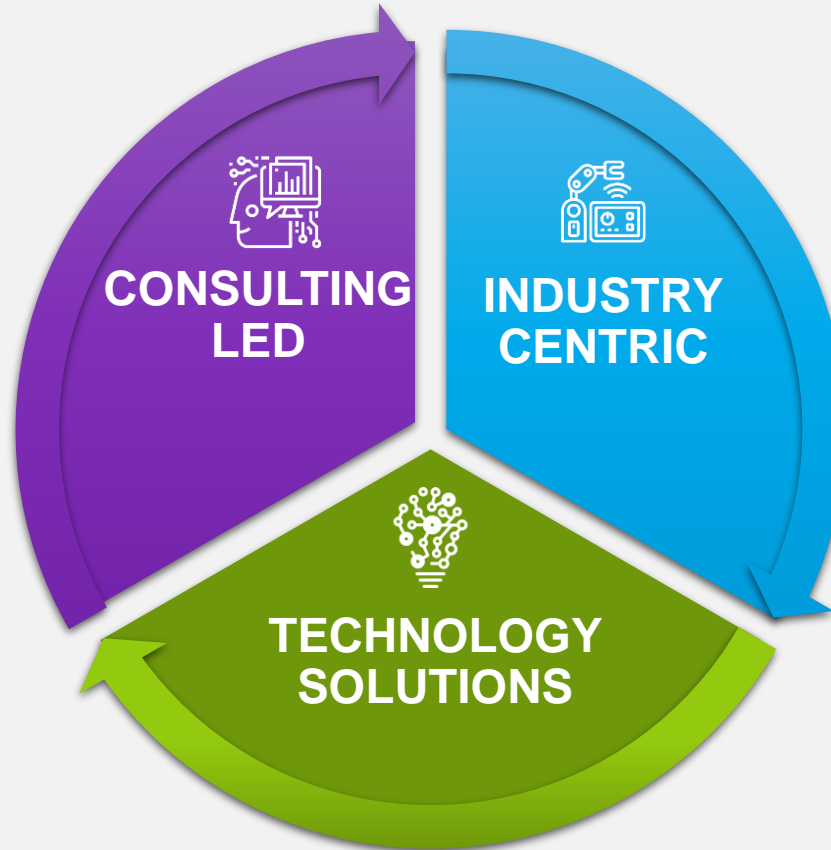


The background of the slide is a dark, moody photograph of a laptop. A hand is visible on the right side, with the index finger pointing towards a 3D bar chart that appears to be floating above the laptop's keyboard. The chart consists of several orange bars of increasing height, connected by a thin blue line with small circular markers at each data point. The overall lighting is dim, with some highlights on the laptop's surface and the hand.

# Citec Acquisition update

# • CYIENT POSITIONING

Our positioning allows us to build differentiated capabilities aligned to our clients needs



# Context For This Acquisition

## What

- **Cyient will buy 100% of Citec**; an engineering services organization providing plant engineering, engineering consulting, product engineering and technical documentation services to primarily European Energy and Mining OEMs

## Why

1. Delivers Cyient a leadership position in plant engineering
2. Access to multiple European based global companies in the energy, process, and mining industries and a bridgehead for expansion into other process industries (e.g. pharma)
3. Extension of service breadth (particularly digital offerings)
4. Diversification of Industries

## Key Strengths

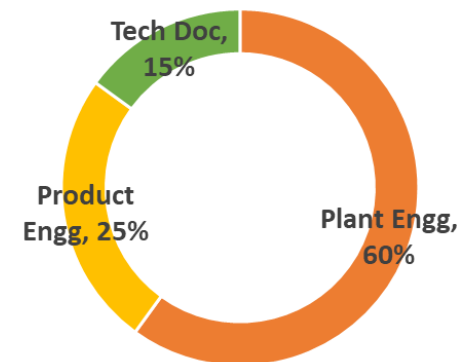
- ✓ Builds scale in plant engineering
- ✓ Exposure to energy transition and European markets
- ✓ Complementarity of customers, resources and skills

# • INTRODUCTION TO CITEC

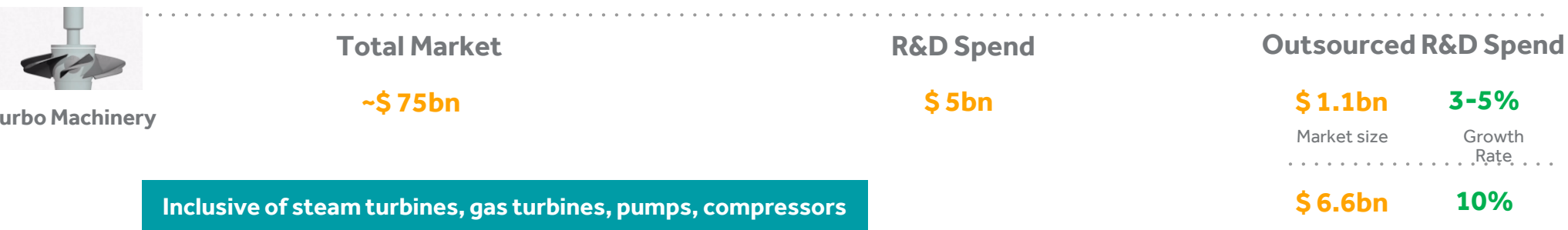
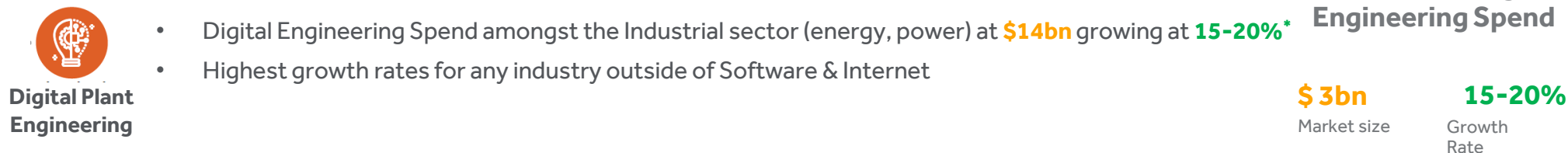
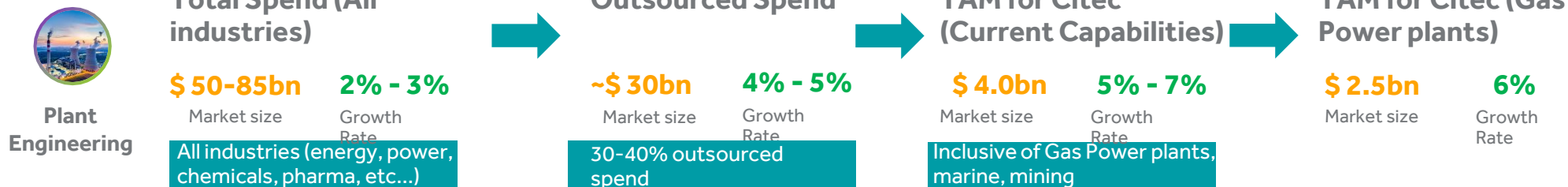
<b>Incorporation</b>	Founded in 1984 Headquartered in Vaasa, Finland
<b>Locations</b>	Finland   Norway   Sweden   France   Germany   India
<b>Business Units</b>	Plant engineering, Product engineering, Consulting and Digital
<b>Industry Focus</b>	Energy, Mining, Marine, Oil & gas, Pharma, Machine & equipment
<b>Headcount</b>	~1,200 employees
<b>Financials</b>	CY 21A – Revenue: Eur 79.7 Mn, EBIT: Eur 10.1 Mn (13%)

## Services Overview

Plant Engineering	Product Engineering	Tech Doc & Digital Solution
<ul style="list-style-type: none"><li>• Process engineering</li><li>• Electrical &amp; IC</li><li>• Pipeline layout and design</li><li>• Civil and structural design</li><li>• Building and HVAC</li></ul>	<ul style="list-style-type: none"><li>• Product definition</li><li>• Concept and styling</li><li>• Packaging &amp; modularity</li><li>• Analysis &amp; testing</li><li>• Production support</li></ul>	<ul style="list-style-type: none"><li>• Information solution</li><li>• Product data maintenance</li><li>• Content management</li><li>• 3D modelling</li><li>• Robotic Process Automation</li></ul>



# • PLANT ENGINEERING MARKET CAPABILITIES



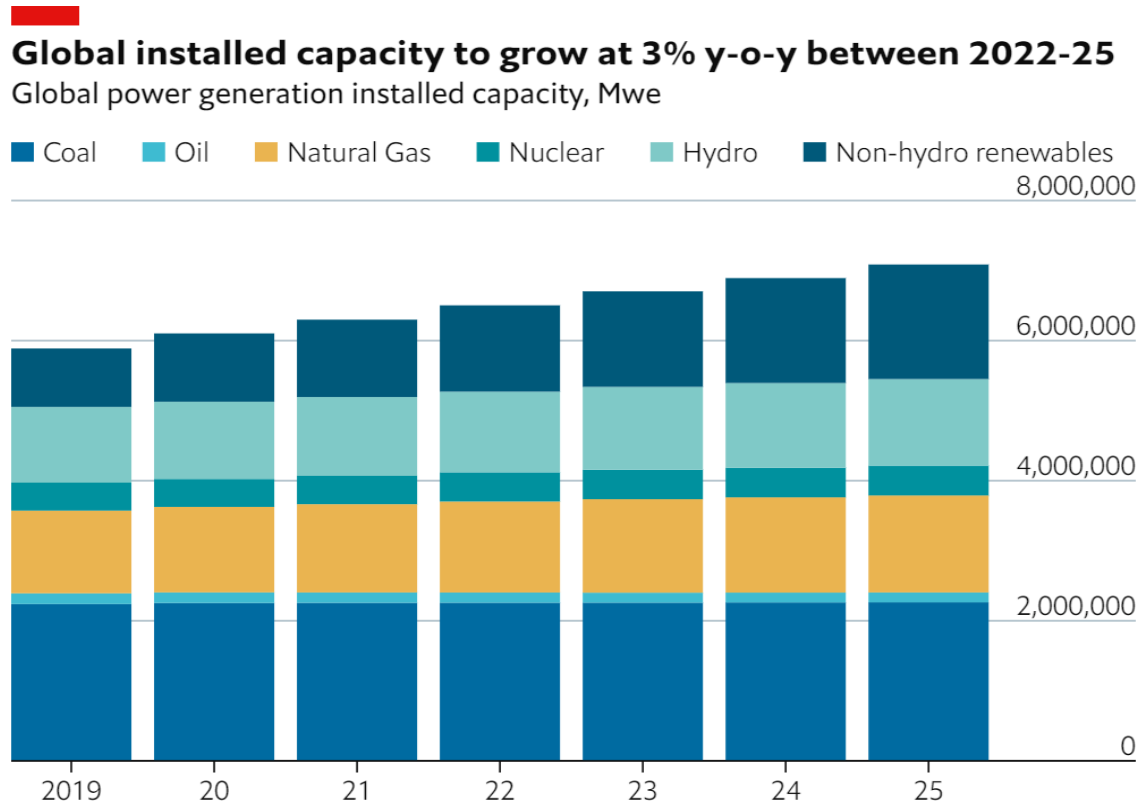
## Sources:

\*Based on Zinnov ER&D Report 2019

\*\* Turbomachinery Citec 2022 Confidential Report

# Global Installed Capacity

The growth in the market is expected to be driven by surge in renewables, while natural gas-based power plants will grow modestly



Source: IEA, EIU.

Despite current high gas prices, gas-based power generation will grow at 2% annually between 2022-25.









While growth will be led by APAC, Europe gas-based installed capacity is expected to grow modestly.

Renewable power generation capacity to grow at ~10% annually between 2022-25.

# • EUROPE INSTALLED POWER GENERATION CAPACITY

Total market growing at a modest 2%+ CAGR; renewables compensate for degrowth in fossils,  
Natural gas-based power plants expected to grow

*A portion of spend on Renewables will also be driven by gas-based backup power plants*

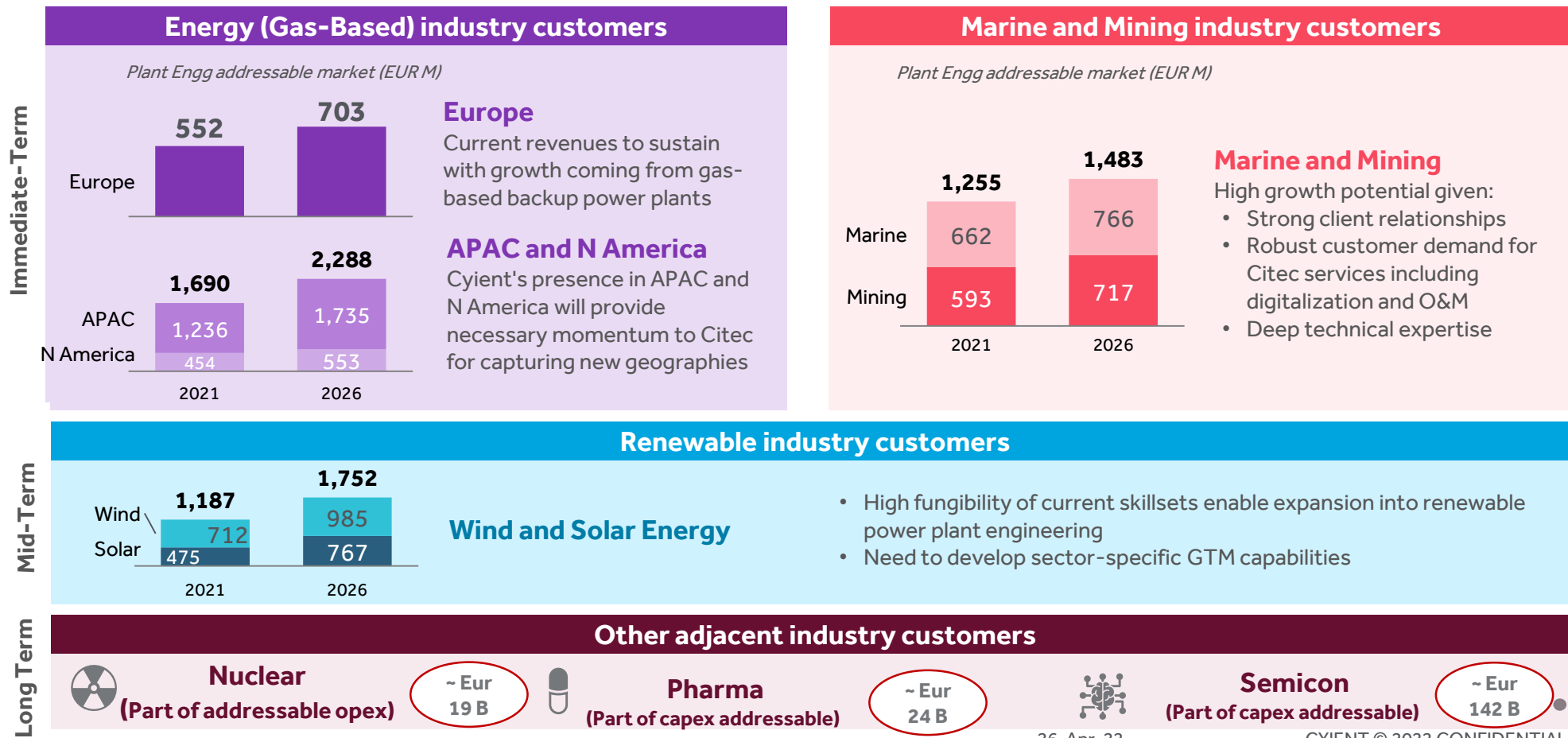
	CAGR
 Solar	10.05%
 Wind	6.71%
 Hydro	0.75%
 Bioenergy	1.66%
 Nuclear	-1.39%
 Coal	-7.07%
 Natural gas	1.57%
 Oil	-6.66%

	CAGR
Gas backup to renewables	8.56%

*Among all the sources for back-up capacity of renewables, natural gas is able quickly ramp-up to meet the fluctuations. Assumed the proportion of gas in back-up power plants as 55-65%*

# • OPPORTUNITIES

Plant engineering space has tremendous opportunities not just in energy segment but other associated process industries too





# Citec acquisition - Financial Impact on Cyient group

Impact on Cyient financials	FY 23 (11 months consolidation)	FY24 (Full Year)
Incremental Revenue*	USD 83-87 Mn	USD 98-102 Mn
EBIT margins	Neutral**	Accretive/Neutral
EPS accretion	~4-5% (2.5 – 3 INR)	~8-10% (5-6 INR)
FCF	In line	
ETR	20%, 50bps improvement in ETR	
Funding	In line with policy – 50% Debt	

**Overall, the transaction is accretive on all profitability ratios: EV/EBIT is accretive^**

**\*Over and above the outlook for FY23 of 13-15% growth**

EBIT margin accretive from year 2 (acquisition EBIT margin at 14-16%)

\*\*Upto 30-50 bps of headwind at group level due to one time integration costs in Year 1

^EV/EBITDA of the acquisition at 6.3x on EBITDA (CY21 reported)

# 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](http://www.cyient.com). Follow news about the company at @Cyient

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