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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 glowing, semi-transparent bar chart that appears to be floating above the laptop's keyboard. The chart consists of several vertical bars of varying heights, colored in shades of orange and white, with a thin white line connecting the tops of the bars. The overall lighting is low, with the primary light source being the glowing chart and the laptop's screen area.

INVESTOR PRESENTATION

Annexure

Q2 FY23



● Message from the Management



**KRISHNA
BODANAPU**

Managing Director
& CEO

Commenting on the results, Mr. Krishna Bodanapu, Managing Director and Chief Executive Officer, said “Cyient delivered strong Q2 FY23 results, with revenue at \$ 174.8 Mn, a growth of 10.0% QoQ and 20.4% YoY in constant currency. The services revenue was \$151.1 Mn, an increase of 10.2% QoQ and 21.3% YoY in constant currency, driven by Healthcare, Mining, and Semiconductor business units. The normalized EBIT margin at the group level, excluding exceptional items and one-off M&A expenses, at 11.9% is higher by 42 bps QoQ and lower by 212 bps YoY.

We continue to witness strong momentum across the business, driven by key wins, robust Order Intake, and pipeline. We won five large deals with a total contract potential of \$ 105 Mn. We also witnessed significant growth across key accounts, with revenue from the top 30 accounts growing at 12.3% YoY in constant currency terms. This quarter we recorded our highest group OI which grew by over 58% YoY. We continue strengthening our technology offerings, focusing on building solutions across key megatrends impacting industries like Automotive, Medical, Communications etc.

Regarding this, we also launched the report in partnership with Everest Group on Megatrends impacting the industry. These megatrends are global, technology-driven disruptions that will shape investments, opportunities, and lifestyles over the next decade. Cyient was recognized as the “Rising star” for Managed Services in the U.S. region in ISG Provider Lens™ Study 2022 for the Internet of Things. The award highlighted Cyient’s flexible deployments through usage-based modular services.

Our outlook for the year continues to be strong; we are confident about delivering mid-double-digit growth at the group level, driven by strong OI, a large deals pipeline, and growth in key accounts. Margins will continue to improve through the rest of the year. The outlook for the DLM business has improved and will witness high single-digit growth due to increased orders and our ability to address some supply-side constraints.”

● Message from the Management



**AJAY
AGGARWAL**
Executive Director
& CFO

Commenting on the results, Mr. Ajay Aggarwal, Executive Director & CFO, said, “Our core operations remain robust with Services revenue growth showing strong momentum. This has translated into topline growth of 20.4% cc YoY, 10.0% cc QoQ, Normalised Group EBITDA margin at 16.4% (up by 84 bps QoQ and down by 226 bps YoY), Normalized Services EBIT margin (without acquisitions) at 13.2% (up by 112 bps QoQ and down by 228 bps YoY) and Normalized PAT at ₹1,103 Mn (de-growth of 5.0% QoQ and 9.1% YoY). The DLM business has witnessed a de-growth of 3.3% QoQ in Q2 FY23 due to continued supply side challenges. However, we are confident of a recovery in the same in H2 FY23 on the back of a strong order book. Given the strong growth potential of the EMS sector, the Board has discussed the need to determine an optimal structure for housing the DLM business to enable scaling up and participation in this opportunity. We have closed all the 4 acquisitions, announced at the start of the year, and the full impact of consolidation of the same will be visible in H2 FY23. Free Cash Flow generation for the quarter, excluding one-offs and exceptional items, stood at ₹1,010 Mn, a conversion of 42.4% on Normalised EBITDA. We have also maintained our payout levels and declared an interim dividend of ₹10 per share.

Our rigorous initiatives on collection, discretionary cost control and automation will continue and we expect the full benefits of improved operational efficiency to be visible in H2FY23. We remain strongly focused on growth, improvement in operating efficiencies and cash generation and thus maximizing the value for our shareholders.”

Consolidated Financial Metrics

₹ Mn	Q2 FY23	Q1 FY23	Q2 FY22	Growth %	
				QoQ	YoY
Revenue	13,962	12,501	11,116	11.7%	25.6%
EBITDA (Reported)	1,864	1,946	2,075	-4.2%	-10.2%
EBITDA margin (Reported)	13.4%	15.6%	18.7%	-222 bps	-532 bps
EBITDA (Normalised)	2,291	1,946	2,075	17.7%	10.4%
EBITDA margin (Normalised)	16.4%	15.6%	18.7%	84 bps	-226 bps
EBIT (Reported)	1,234	1,435	1,558	-14.0%	-20.8%
EBIT margin (Reported)	8.8%	11.5%	14.0%	-264 bps	-518 bps
EBIT (Normalised)	1,660	1,435	1,558	15.7%	6.6%
EBIT margin (Normalised)	11.9%	11.5%	14.0%	41 bps	-212 bps
PAT (Reported)	791	1,161	1,214	-31.8%	-34.8%
PAT (Normalised)	1,103	1,161	1,214	-5.0%	-9.2%

Foreign Exchange Rate

\$/₹	Q2 FY23	Q1 FY23	Q2 FY22
Average	79.75	77.37	74.05
Closing	81.48	78.92	74.35

Consolidated Revenue Segmentation

By Geography (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Americas	50.4%	51.3%	48.8%
Europe, Middle East, Africa	26.0%	22.7%	24.8%
Asia Pacific (includes India)	23.6%	26.0%	26.4%

By Business Unit (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
ARC total	57.1%	63.8%	65.7%
Aerospace	27.3%	30.5%	32.1%
Rail transportation	6.5%	7.9%	10.9%
Communications	23.3%	25.4%	22.7%
MEU total	14.4%	14.3%	15.5%
Mining	2.3%	2.3%	1.6%
Energy	6.3%	5.5%	5.2%
Utilities	4.8%	5.0%	6.6%
Consulting	1.1%	1.5%	2.1%
New Growth Areas total	18.3%	18.7%	18.7%
Total without Acquisitions	89.8%	96.8%	100.0%
Citec	4.3%	0.0%	0.0%
Celfinet	3.5%	0.0%	0.0%
Grit	1.1%	2.3%	0.0%
Strategic Buyout	1.3%	0.9%	0.0%
Total with Acquisitions	100.0%	100.0%	100.0%

● Consolidated Operations Metrics

Account Receivables (in Days)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
DSO Total	85	88	81
- Billed	59	59	60
- Unbilled	26	29	21

Order Intake (\$ Mn)^

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Cyient Services	129	141	123
DLM	118	24	33
Group OI Total	247	165	156

^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

● Consolidated Client Metrics

Top Clients: Revenue Contribution (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Top 5	25.2%	27.7%	31.7%
Top 10	37.2%	39.3%	43.2%

No. of Million \$ Clients

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
20 Mn+	4	4	3
10 Mn+	12	11	10
5 Mn+	37	32	32
1 Mn+	98	94	92
New Clients Added	8	8	18

● Consolidated Employee Metrics

Employees

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Total Headcount	15,598	14,147	12,707
Technical & Pool	14,474	13,165	11,763
Non-Technical	463	473	330
Support	661	509	614
Voluntary Attrition (LTM)*	28.4%	27.9%	24.8%

** Attrition is reported on LTM basis from Q1FY23. This is in line with the industry reporting practice. For Q2FY23, quarterly annualised attrition stood at 26.5%*

● Consolidated Other Financial Metrics

Cash Position (₹ Mn)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Cash & Cash Equivalent including treasury investments	13,944	13,749	14,033
Cash & Bank balances	6,094	4,211	5,846
Investments in FDs	5,014	6,574	8,187
Investment in MFs	271	864	0
Treasury investments	2,565	2,100	0

Capex (₹ Mn)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Capital Expenditure	91	134	141

● Consolidated Income Statement

Income Statement ₹ Mn	Q2 FY23	Q1 FY23	Q2 FY22
Operating Revenue	13,962	12,501	11,116
Cost of Revenue	8,595	7,901	6,846
Direct Salary and related costs	5,632	4,989	4,351
Direct Travel	164	136	84
Delivery Management	278	257	221
Material cost	1,282	1,459	1,332
Other costs incl Subcontract costs	1,239	1,059	859
Gross profit	5,367	4,600	4,270
Sales and Marketing	451	402	420
General and Administration	2,626	2,252	1,775
Depreciation and Amortization	630	511	517
EBIT (Normalised)	1,661	1,435	1,558
Financial expenses	345	177	91
Other income	197	337	150
One off/ Exceptional item	427	0	0
Profit before tax (PBT) (Reported)	1,085	1,595	1,617
Tax	294	435	403
Profit After Tax (Reported)	791	1,161	1,214
Basic EPS (₹) (Reported)	7.2	10.6	11.1

Extract of Consolidated Balance Sheet

Balance Sheet ₹ Mn	Q2FY23	Q1FY23	Q2 FY22
EQUITY AND LIABILITIES			
Shareholders' funds			
- Share capital	552	552	551
- Reserves and surplus	31,230	30,318	28,698
Total - Shareholders' funds	31,782	30,870	29,249
Non-current liabilities			
- Long-term borrowings and liabilities	3,827	3,943	2,434
- Long-term provisions	1,998	1,295	1,355
- Deferred tax liabilities (net)	1,051	673	271
Total - Non-current liabilities	6,876	5,911	4,060
Current liabilities			
- Short-term borrowings	13,320	6,527	2,933
- Trade payables	6,584	5,798	5,045
- Other current liabilities	5,975	5,410	2,991
- Short-term provisions	1,018	931	864
Total - Current liabilities	26,897	18,666	11,833
TOTAL - EQUITY AND LIABILITIES	65,555	55,447	45,142
ASSETS			
Non-current assets			
- Property, plant and equipment	13,148	10,495	8,274
- Goodwill	14,405	9,819	6,112
- Non-current investments	3,844	3,430	718
- Deferred tax assets (net)	365	305	300
- Other non-current assets	918	1,024	1,189
Total - Non-current assets	32,680	25,073	16,593
Current assets			
- Inventories	4,087	3,329	1,913
- Current investments	532	1,023	-
- Trade receivables	9,466	8,288	7,335
- Cash and cash equivalents	11,108	10,785	14,033
- Other current assets	7,682	6,949	5,268
Total - Current assets	32,875	30,374	28,549
TOTAL ASSETS	65,555	55,447	45,142

● Consolidated Cash Flow Movement

₹ Mn	Q2 FY23	Q1 FY23	Q2 FY22
Free cash flow from operations (Normalised)	682	596	2,050
Investment in non current investments	(626)	191	(374)
Settlement of purchase/deferred consideration consideration pertaining to new/prior year acquisitions	(4,668)	(4,063)	(180)
Interest received	132	100	211
Finance costs paid	(153)	(63)	(32)
Proceeds/(Repayment) of borrowings, net	4,860	3,299	(379)
Repayment of lease liabilities	(321)	(270)	(194)
Proceeds from issue of equity shares	16	17	22
Dividend paid	0	(1,528)	(1,863)
Purchase of equity shares by ASOP trust	12	0	(488)
Others	(204)	0	(2)
Net change in cash	(270)	(1,722)	(1,230)
Opening cash position	11,649	13,370	15,263
Closing cash position	11,379	11,649	14,033

Other Income

All Figures in ₹ Mn	Q2FY23	Q1FY23	Q2 FY22
Income from Treasury			
Interest on Investments/Deposits	97	91	110
Dividend on Mutual Funds	5	4	0
Subtotal (A)	102	95	110
Realised gains/(losses) on Fwd Contracts (B)	57	144	89
Unrealised Fx gains/(losses) (C)	12	31	(59)
Others			
Interest on IT Refunds	0	53	0
Reversal of Old provisions	0	0	0
Rents received	5	3	2
Tax incentives on export of merchandise	0	0	0
Others	21	10	7
Subtotal (D)	26	66	9
Grand total (A+B+C+D)	197	337	149

Currency Movement	Q2 FY23		Q1 FY23		Q2 FY22	
	Forward	Spot	Forward	Spot	Forward	Spot
USD	77.3	79.8	77.1	77.6	76.9	74.0
EUR	91.1	80.6	94.0	82.4	91.6	87.0
GBP	106.0	94.6	108.9	96.9	100.4	101.4
AUD	56.2	55.0	59.4	54.8	55.8	54.1
CAD	60.6	61.6	63.2	60.6	58.2	58.8

Forward and spot rates represent average of monthly rates

For the quarter

- Treasury income is higher due to higher yield, despite lower cash balance attributed to acquisition funding and dividend payout
- Forward contract gain is ₹57 Mn, unfavorable QoQ movement of ₹89 Mn, due to lower gains in contracts across currencies
- Unrealized Fx Gain in Q2 is lower mainly from unfavorable restatement impact in India



Cyient Metrics (Services)

Cyient Metrics (Services) (1/3)

By Geography (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Americas	50.7%	53.0%	52.8%
Europe, Middle East, Africa	28.0%	21.8%	27.5%
Asia Pacific (including India)	21.3%	25.2%	19.7%

By Business Unit (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
ARC total	56.9%	63.2%	65.8%
Aerospace	22.7%	24.3%	25.8%
Rail transportation	7.3%	9.1%	12.6%
Communications	26.9%	29.9%	27.3%
MEU total	12.8%	13.8%	16.5%
Mining	2.6%	2.8%	1.9%
Energy	3.4%	3.4%	4.1%
Utilities	5.5%	5.9%	8.0%
Consulting	1.2%	1.8%	2.5%
New Growth Areas total	18.5%	19.2%	17.7%
Total without Acquisitions	88.2%	96.2%	100.0%
Citec	4.9%	0.0%	0.0%
Celfinet	4.1%	0.0%	0.0%
Grit	1.3%	2.7%	0.0%
Strategic Buyout	1.5%	1.0%	0.0%
Total with Acquisitions	100.0%	100.0%	100.0%

Onsite/offshore Split (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Onsite	52.0%	50.0%	50.3%
Offshore	48.0%	50.0%	49.7%

● Cyient Metrics (Services) (2/3)

Currency Mix (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
USD	52.9%	52.9%	50.8%
EURO	10.3%	10.3%	13.1%
GBP	8.0%	8.0%	9.4%
AUD	12.9%	12.9%	13.4%
Others	16.0%	16.0%	13.4%

Utilization (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Utilization	84.6%	80.9%	85.0%

Account Receivables (in Days)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
DSO Total	88	89	80
- Billed	57	55	54
- Unbilled	31	34	26

● Cyient Metrics (Services) (3/3)

Top Clients: Revenue Contribution (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Top 5	28.9%	32.1%	33.0%
Top 10	39.9%	43.6%	45.6%

No. of Million \$ Clients

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
20 Mn+	4	4	3
10 Mn+	12	11	10
5 Mn+	30	25	24
1 Mn+	85	81	76
New Clients Added	8	8	17

Employee

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Total Headcount	15,004	13,581	12,035
Technical & Pool	13,923	12,599	11,149
Non-Technical	461	473	312
Support	620	509	574



Cyient Metrics (Design Led Manufacturing)

● Cyient Metrics (Design Led Manufacturing) (1/3)

Income Statement - Abridged (In ₹ Mn)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Net Revenue	1,894	1,897	1,888
Direct Salaries & other costs	240	238	278
Material Cost	1,283	1,459	1,330
Gross Profit	371	200	280
SG&A	144	52	85
Depreciation & amortisation	70	69	67
EBIT	157	80	129
Others	-33	16	-14
Profit Before Tax	124	95	115

By Geography (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Americas	48.5%	41.5%	29.5%
Europe, Middle East, Africa	13.1%	27.7%	11.5%
Asia Pacific (including India)	38.4%	30.8%	59.0%

● Cyient Metrics (Design Led Manufacturing) (2/3)

By Business Unit (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
ARC total	58.2%	67.1%	65.5%
Aerospace	56.8%	65.5%	63.0%
Rail transportation	1.4%	1.5%	2.3%
Communications	0.0%	0.2%	0.2%
MEU total	24.7%	17.2%	10.8%
Mining	0.0%	0.0%	0.1%
Energy	24.7%	17.2%	10.7%
Utilities	0.0%	0.0%	0.0%
Consulting	0.0%	0.0%	0.0%
New Growth Areas total	17.1%	15.7%	23.7%

Currency Mix (%)

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
USD	66.4%	89.9%	40.0%
EURO	4.1%	3.2%	2.0%
AUD	0.0%	0.0%	0.0%
Others	29.6%	6.9%	58.0%

● Cyient Metrics (Design Led Manufacturing) (3/3)

No. of Million\$ Clients

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
5 Mn+	7	7	8
2 Mn+	11	11	12
1 Mn+	13	13	16
New Clients Added	0	0	1

Key Operational Metrics

Particulars	Q2 FY23	Q1 FY23	Q2 FY22
Headcount	594	567	672
DSO (in Days)	71	85	91
DPO (in Days)	82	65	111
Customer Advance (in Days)	87	82	49
Inventory (in Days)	207	189	108
Total Cash (₹ Million)	1324	950	784

● 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

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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; IG Partners South Africa (Pty) Ltd; Workforce Delta Pty. Ltd.; Grit Consulting Pte. Ltd.; Celfinet - Consultoria EM Telecomunicacoes S.A.; Metemesonip, Unipessoal Lda; Celfinet UK Telecommunications Consulting Services Ltd.; Celfinet Espanã - Consultoria en Telecomunicaciones S.L; Celfinet (Brasil) - Consultoria em Telecomunições, Ltda, Celfinet Mozambique – Consultoria em Telecomunicações, Limitada; Sentiec Oyj; Citec Group Oy Ab; Citec Oy Ab; Citec Engineering France Sarl; Citec AB; Citec Information & Engineering GmbH; Citec Group France SAS; Akilea Overseas Ltd.; Citec Norway AS; Citec Engineering India Limited

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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