

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 vertical bars of varying heights, colored in shades of orange and yellow, with a thin blue line connecting the tops of the bars. The overall lighting is dim, with the laptop's keyboard and the hand providing some illumination.

INVESTOR PRESENTATION

Annexure

Q3 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 witnessed positive Q3 FY23 results, with revenue at \$197.0Mn, a growth of 13.4% QoQ, and 28.6% YoY in constant currency. The services revenue was \$167.9Mn an increase of 11.9% QoQ and 34.4% YoY in constant currency, driven by the Semiconductor, Automotive, and Energy and Mining business. The normalized group EBIT margins, at 12.9%, is higher by 98 bps QoQ and lower by 100 bps YoY.

We continue to witness strong momentum across the business, driven by key wins, robust Order Intake, and pipeline. We won 5 large deals in services with a strong total contract potential of \$59.2 Mn this quarter. We also witnessed significant growth across key accounts, with revenue from the top 30 accounts growing at 14.9% YoY in constant currency terms. We have a strong Order Intake at \$ 237 Mn, the highest in the last 15 quarters. Our pipeline for the year is higher by 1.5x YoY with large deals accounting for 70% of the pipeline. This sets us out for a strong growth potential for the business. We continue to strengthen our technology offerings, focusing on building solutions across key megatrends impacting industries like Automotive, Medical, Communications, etc.

This quarter we were also recognized as an expansive-established player in the overall ER&D and IoT services in the 2022 Zinnov Zones ratings. The ratings also recognized Cyient’s specialization across its verticals and service lines. Cyient has been ranked in the Leadership zone across Aerospace, Telecommunication, Semiconductors, Industrial, and Medical Devices verticals.

Our outlook for the year continues to be strong, we expect double-digit growth at the group level driven by strong OI, a large deals pipeline, and growth in key accounts.”

● Message from the Management



**AJAY
AGGARWAL**

Executive Director
& CFO

Commenting on the results, Mr. Ajay Aggarwal, Executive Director & CFO, said, "I am pleased to share that we have witnessed strong revenue growth on an organic basis coupled with full impact of all the four acquisitions. Group revenue stood at \$197.0 Mn, this is a growth of 28.6% YoY and 13.4% QoQ in CC terms. Our sustained focus on margin expansion through improvement in efficiencies and operating budget levers yielded results with Normalised EBIT margin at 12.9% for Group, up by 98 bps QoQ and 13.9% for Services, up by 147 bps QoQ. Normalised net profit for the quarter, at INR 162.7 crores, witnessed a growth of 23.5% YoY and 47.5% QoQ, which is the highest QoQ PAT growth in the last 15 quarters. Cash generation for the quarter was robust on account of our rigorous initiatives on collections and working capital management. Group DSO, at 76 days, showed an improvement of 9 days QoQ and normalized Group FCF of INR 124.7 crores, witnessed a growth of 23.5% QoQ.

With a strong foundation on sustainable initiatives, we remain confident of this momentum continuing in Q4 FY23. We remain strongly focused on growth, margin and cash generation and exiting FY23 on a very strong note."

Consolidated Financial Metrics

Key Financial Metrics

₹ Mn	Q3 FY23	Q2 FY23	Q3 FY22	Growth %	
				QoQ	YoY
Revenue	16,182	13,962	11,834	15.9%	36.7%
EBITDA (Reported)	2,692	1,864	2,129	44.4%	26.5%
<i>EBITDA margin (Reported)</i>	<i>16.6%</i>	<i>13.4%</i>	<i>18.0%</i>	<i>329 bps</i>	<i>-135 bps</i>
EBITDA (Normalised)	2,783	2,291	2,129	21.4%	30.7%
<i>EBITDA margin (Normalised)</i>	<i>17.2%</i>	<i>16.4%</i>	<i>18.0%</i>	<i>78 bps</i>	<i>-79 bps</i>
EBIT (Reported)	1,993	1,234	1,642	61.5%	21.4%
<i>EBIT margin (Reported)</i>	<i>12.3%</i>	<i>8.8%</i>	<i>13.9%</i>	<i>348 bps</i>	<i>-156 bps</i>
EBIT (Normalised)	2,084	1,661	1,642	25.4%	26.9%
<i>EBIT margin (Normalised)</i>	<i>12.9%</i>	<i>11.9%</i>	<i>13.9%</i>	<i>98 bps</i>	<i>-100 bps</i>
PAT (Reported)	1,560	791	1,317	97.1%	18.4%
PAT (Normalised)	1,627	1,103	1,317	47.5%	23.5%

Foreign Exchange Rate

\$/₹	Q3 FY23	Q2 FY23	Q3 FY22
Average	82.15	79.89	74.94
Closing	82.82	81.48	74.43

Consolidated Revenue Segmentation

By Geography (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Americas	47.6%	50.4%	49.2%
Europe, Middle East, Africa	30.3%	26.0%	25.1%
Asia Pacific (includes India)	22.1%	23.6%	25.7%

By Business Unit (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
ARC total	53.0%	57.1%	66.1%
Aerospace	26.7%	27.3%	34.6%
Rail transportation	5.5%	6.5%	9.1%
Communications	20.7%	23.3%	22.4%
MEU total	13.4%	14.4%	14.4%
Mining	2.0%	2.3%	1.8%
Energy	5.8%	6.3%	4.3%
Utilities	4.6%	4.8%	6.4%
Consulting	0.9%	1.1%	1.8%
New Growth Areas total	18.0%	18.3%	19.5%
Total without Acquisitions	84.4%	89.8%	100.0%
Acquisitions total	15.6%	10.2%	0.0%
Total with Acquisitions	100.0%	100.0%	100.0%

Consolidated Operations Metrics

Account Receivables (in Days)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
DSO Total	76	85	77
- Billed	54	59	57
- Unbilled	22	26	20

Order Intake (\$ Mn)^

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Cyient Services	237	129	201

*^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	Q3 FY23	Q2 FY23	Q3 FY22
Top 5	26.0%	25.2%	28.1%
Top 10	36.7%	37.2%	41.7%

No. of Million \$ Clients

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
20 Mn+	6	4	3
10 Mn+	12	12	10
5 Mn+	38	37	36
1 Mn+	97	98	93
New Clients Added	18	17	11

Number of new clients added in Q2FY23 was incorrect. It has been rectified now

Consolidated Employee Metrics

Employees

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Total Headcount	15,355	15,598	12,845
Technical & Pool	14,318	14,593	11,858
Non-Technical	433	420	347
Support	604	585	640
Voluntary Attrition (LTM)*	26.5%	28.4%	26.5%

Notes:

- 1. Attrition is reported on LTM basis from Q1FY23. This is in line with the industry reporting practice. For Q3FY23, quarterly annualised attrition stood at 22.1%.*
- 2. There were few classification errors in Q2 FY23 headcount which have been rectified now. This does not impact the total headcount*

Consolidated Other Financial Metrics

Cash Position (₹ Mn)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Cash & Cash Equivalent including treasury investments	8,694	13,944	14,768
Cash & Bank balances	6,048	6,094	4,144
Investments in FDs	118	5,014	7,888
Investment in MFs	466	271	301
Treasury investments	2,062	2,565	2,435

Capex (₹ Mn)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Capital Expenditure	229	91	151

Consolidated Income Statement

Income Statement ₹ Mn	Q3 FY23	Q2 FY23	Q3 FY22
Operating Revenue	16,182	13,962	11,834
Cost of Revenue	10,063	8,595	7,533
Direct Salary and related costs	6,361	5,632	4,541
Direct Travel	139	164	111
Delivery Management	309	278	223
Material cost	1,741	1,282	1,578
Other costs incl Subcontract costs	1,513	1,239	1,081
Gross profit	6,119	5,367	4,301
Sales and Marketing	512	451	417
General and Administration	2,824	2,625	1,756
EBITDA (Normalised)	2,783	2,291	2,129
Depreciation and Amortization	699	630	487
EBIT (Normalised)	2,084	1,661	1,642
Financial expenses	215	345	116
Other income	275	197	221
Profit before tax (PBT) (Normalised)	2,144	1,513	1,746
Tax	517	409	430
Profit After Tax (Normalised)	1,627	1,103	1,317
Basic EPS (₹) (Normalised)	14.9	10.1	12.1
One off/ Exceptional item (Post tax)	67	312	0
Profit After Tax (Reported)	1,560	791	1,317
Basic EPS (₹) (Reported)	14.3	7.2	12.1



Extract of Consolidated Balance Sheet

Balance Sheet ₹ Mn	Q3FY23	Q2FY23	Q3FY22
EQUITY AND LIABILITIES			
Shareholders' funds			
- Share capital	544	552	551
- Reserves and surplus	31,973	31,230	28,913
Total - Shareholders' funds	32,517	31,782	29,464
Non-current liabilities			
- Long-term borrowings and liabilities	4,613	3,827	2,132
- Long-term provisions	2,132	1,998	1,391
- Deferred tax liabilities (net)	894	1,051	253
Total - Non-current liabilities	7,639	6,876	3,776
Current liabilities			
- Short-term borrowings	7,863	13,320	3,302
- Trade payables	6,940	6,584	4,887
- Other current liabilities	6,134	5,975	3,455
- Short-term provisions	1,041	1,018	943
Total - Current liabilities	21,978	26,897	12,587
TOTAL - EQUITY AND LIABILITIES	62,134	65,555	45,827
ASSETS			
Non-current assets			
- Property, plant and equipment	12,739	13,148	7,409
- Goodwill	15,988	14,405	6,131
- Non-current investments	3,168	3,844	3,841
- Deferred tax assets (net)	522	365	255
- Other non-current assets	1,006	918	1,162
Total - Non-current assets	33,423	32,680	18,798
Current assets			
- Inventories	4,517	4,087	2,501
- Current investments	888	532	301
- Trade receivables	10,261	9,466	7,511
- Cash and cash equivalents	6,166	11,108	12,032
- Other current assets	6,879	7,682	4,684
Total - Current assets	28,711	32,875	27,029
TOTAL ASSETS	62,134	65,555	45,827

Consolidated Cash Flow Movement

₹ Mn	Q3 FY23	Q2 FY23	Q3 FY22
Free cash flow from operations (Normalised)	1,157	682	1,596
Investment in non current investments	564	(626)	(2,325)
Settlement of purchase/deferred consideration consideration pertaining to new/prior year acquisitions	(137)	(4,668)	(0)
Interest received	58	132	161
Finance costs paid	(235)	(153)	(45)
Proceeds/(Repayment) of borrowings, net	(4,993)	4,860	242
Repayment of lease liabilities	(368)	(321)	(239)
Proceeds from issue of equity shares	25	16	41
Dividend paid	(1,105)	0	(1,089)
Purchase of equity shares by ASOP trust	(8)	12	0
Others	295	(204)	(42)
Net change in cash	(4,747)	(270)	(1,701)
Opening cash position	11,379	11,649	14,033
Closing cash position	6,632	11,379	12,333

Other Income

All Figures in ₹ Mn	Q3FY23	Q2FY23	Q3 FY22
Income from Treasury			
Interest on Investments/Deposits	44	97	97
Dividend on Mutual Funds	6	5	8
Subtotal (A)	50	102	105
Realised gains/(losses) on Fwd Contracts (B)	18	57	104
Unrealised Fx gains/(losses) (C)	161	12	6
Others			
Interest on IT Refunds	0	0	0
Reversal of Old provisions	0	0	0
Rents received	4	5	2
Tax incentives on export of merchandise	0	0	0
Others	43	21	4
Subtotal (D)	46	26	6
Grand total (A+B+C+D)	275	197	221

Currency Movement	Q3 FY23		Q2 FY23		Q3 FY22	
	Forward	Spot	Forward	Spot	Forward	Spot
USD	78.5	82.3	77.3	79.8	77.0	74.9
EUR	90.7	84.8	91.1	80.6	93.0	85.7
GBP	105.4	97.5	106.0	94.6	103.3	101.2
AUD	57.0	54.4	56.2	55.0	57.1	54.6
CAD	62.1	60.3	60.6	61.6	59.6	59.3

Forward and spot rates represent average of monthly rates

For the quarter

- Treasury income is lower due to utilization of cash for acquisitions
- Forward contract gain is ₹18 Mn, unfavorable QoQ movement of ₹39 Mn, due to losses in USD, EUR, GBP partially offset by gains in AUD and CAD
- Unrealized Fx Gain in Q3 is higher due to favorable restatement impact in India against GBP and EUR currencies



Cyient Metrics (Services)

Cyient Metrics (Services) (1/3)

By Geography (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Americas	48.1%	50.7%	54.2%
Europe, Middle East, Africa	32.8%	28.0%	28.1%
Asia Pacific (including India)	19.0%	21.3%	17.8%

By Business Unit (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
ARC total	51.6%	56.9%	64.2%
Aerospace	21.1%	22.7%	25.9%
Rail transportation	6.2%	7.3%	11.0%
Communications	24.3%	26.9%	27.3%
MEU total	12.1%	12.8%	16.1%
Mining	2.4%	2.6%	2.2%
Energy	3.3%	3.4%	3.8%
Utilities	5.4%	5.5%	7.9%
Consulting	1.1%	1.2%	2.2%
New Growth Areas total	17.9%	18.5%	19.7%
Total without Acquisitions	81.7%	88.2%	100.0%
Acquisitions total	18.3%	11.8%	0.0%
Total with Acquisitions	100.0%	100.0%	100.0%

Onsite/offshore Split (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Onsite	53.9%	52.0%	50.1%
Offshore	46.2%	48.0%	49.9%

Cyient Metrics (Services) (2/3)

Currency Mix (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
USD	56.9%	54.4%	53.9%
EURO	9.2%	8.9%	11.9%
GBP	7.8%	7.6%	9.4%
AUD	10.1%	12.7%	10.9%
Others	16.0%	16.4%	13.9%

Utilization (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Utilization	90.9%	84.6%	86.2%

Account Receivables (in Days)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
DSO Total	81	88	75
- Billed	55	57	51
- Unbilled	26	31	24

Cyient Metrics (Services) (3/3)

Top Clients: Revenue Contribution (%)

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Top 5	25.9%	28.9%	31.5%
Top 10	35.8%	39.9%	44.3%

No. of Million \$ Clients

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
20 Mn+	6	4	3
10 Mn+	12	12	10
5 Mn+	31	30	27
1 Mn+	84	85	77
New Clients Added	18	17	10

Number of new clients added in Q2FY23 was incorrect. It has been rectified now

Employee

Particulars	Q3 FY23	Q2 FY23	Q3 FY22
Total Headcount	14,693	15,004	12,173
Technical & Pool	13,813	14,164	11,240
Non-Technical	360	349	333
Support	520	491	600

There were few classification errors in Q2 FY23 headcount which have been rectified now. This does not impact total headcount

● 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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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 Limited, Cyient Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; 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; Celfinet (Brasil) - Consultoria em Telecomunicações, Ltda, Celfinet Mozambique, Lda; Celfinet Mexico - Consultoria de Telecomunicaciones AS; 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

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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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