

CYIENT

**INVESTOR
PRESENTATION**
ANNEXURE

Q2 FY24



MESSAGE FROM THE MANAGEMENT



KRISHNA BODANAPU
Executive Vice-Chairman &
Managing Director

Commenting on the results, Mr. Krishna Bodanapu, Executive Vice Chairman and Managing Director, said "Cyient Group witnessed positive Q2 FY24 results, with quarterly Group revenue at \$214.9 Mn, growth of 22.3% YoY in constant currency.

Cyient's Digital, Engineering and Technology (DET) business delivered revenue at \$178.4 Mn, growth of 1.0% QoQ and 17.1% YoY in constant currency, driven by growth across the Transportation, Sustainability and Automotive BU's. The normalized DET EBIT margin stood at 16.5%, higher by 406 bps YoY. We won 5 large deals in DET with a total contract potential of \$51.4 Mn in this quarter. The DET order intake stood at \$183.9 Mn, up by 40.0% YoY. Our pipeline for the year looks robust.

We have also declared an interim dividend of Rs.12, in-line with our capital allocation policy. Our focus remains on strengthening and building technology solutions across key megatrends. We expect DET revenue growth to be in the range of 15 – 20% YoY in constant currency terms and to be at the lower end of this range. Margin trajectory remains robust."

MESSAGE FROM THE MANAGEMENT



PRABHAKAR ATLA
President & CFO

Commenting on the results, Mr. Prabhakar Atla, President and Chief Financial Officer, said, “Q2 FY24 witnessed a well-balanced performance in line with our expectations.

DET revenue grew by 1% sequentially and 17.1% YoY in constant currency terms. DET EBIT margin, at 16.5%, highest in last 11 years, was up by 47 bps QoQ driven by operational improvements. We remain confident of our margin trajectory and have maintained the full year guidance range (+150 to 250 bps YoY). DET FCF for the quarter, at ₹1,538 Mn, grew by 166.1% YoY with a conversion of 89% on normalised PAT.

We witnessed robust performance in key verticals including Aerospace (+3.8% cc QoQ), Sustainability (+4.9% cc QoQ) and Automotive (+7.9% cc QoQ). We will continue to build on this foundation in H2 FY24 while remaining vigilant to deal with macro uncertainty.”

GLOSSARY

- **Cyient Group Business Segments:**
 - **Cyient DET:** Digital, Engineering & Technology
 - **Cyient DLM**
 - **Cyient Others^**
- **Cyient DET:** Consolidated Services + Engineering Parts business*
 - **Transportation:** Aerospace + Rail Transportation
 - **Connectivity:** Communications
 - **Sustainability:** Mining, Energy & Utilities
 - **New Growth Areas:** Medical, Semiconductor, Hi-Tech and Automotive

**Engineering Parts business was included in Cyient DLM segment earlier*

^Cyient Others: Aerospace Tooling business (Included in DLM segment earlier)

DET METRICS



DET INCOME STATEMENT

Income Statement ₹ Mn	Q2 FY24	Q1 FY24	Q2 FY23
Operating Revenue (\$ Mn)	178.4	177.1	151.1
Operating Revenue (₹ Mn)	14,762	14,546	12,068
Cost of Revenue	8,825	8,759	7,071
Gross profit	5,937	5,787	4,996
Gross margin %	40.2%	39.8%	41.4%
Sales and Marketing	512	498	435
General and Administration	2,389	2,333	2,497
EBITDA (Normalised)	3,036	2,956	2,065
EBITDA margin %	20.6%	20.3%	17.1%
Depreciation and Amortization	597	620	560
EBIT (Normalised)	2,440	2,335	1,504
EBIT margin %	16.5%	16.1%	12.5%
Financial expenses	223	215	297
Other income	43	93	181
Profit before tax (PBT) (Normalised)	2,259	2,213	1,388
Tax	531	511	376
Profit After Tax (Normalised)	1,728	1,702	1,013
PAT margin %	11.7%	11.7%	8.4%
Basic EPS (₹) (Normalised)	15.8	15.5	9.3
One off/ Exceptional item (Post tax)	48	85	312
Profit After Tax (Reported)	1,680	1,617	701
Basic EPS (₹) (Reported)	15.3	14.8	6.4

DET CASH GENERATION FOR THE QUARTER

Cash Flow Summary (₹ Mn)

DET	Q2 FY24	Q1 FY24	Q2 FY23
Profit before tax (Reported)	2,197	2,102	949
(+/-) Non-cash & non-operating items	782	890	796
Operating profit before WC changes	2,979	2,992	1,745
(+/-) DSO Movement (Receivables)	-796	91	-372
(+/-) Other WC changes	-27	-773	-184
Operating CF after WC changes	2,156	2,310	1,189
(+/-) Taxes	-481	-522	-531
(+/-) Capex	-137	-27	-80
FCF	1,538	1,761	578
FCF to normalised PAT conversion	89.0%	108.9%	82.5%

Cash Position (₹ Mn)

DET	Q2 FY24	Q1 FY24	Q2 FY23
Cash & Cash Equivalent including treasury investments	8,242	9,238	12,704
Cash & Bank balances	4,625	6,076	4,854
Investments in FDs	141	141	5,014
Investment in MFs and Commercial Papers	1,131	1,051	271
Other treasury investments	2,345	1,970	2,565

Note: Q1 FY24 cash position includes pending dividend disbursement of ₹1,792 Mn. This was disbursed in July'23

DET OTHER INCOME

DET (₹ Mn)	Q2FY24	Q1FY24	Q2FY23
Income from Investments	81	75	97
Realised gains/(losses) on Fwd Contracts	-28	-38	47
Unrealised Fx gains/(losses)	-80	119	-28
Others	70	-63	66
Other Income	43	93	182

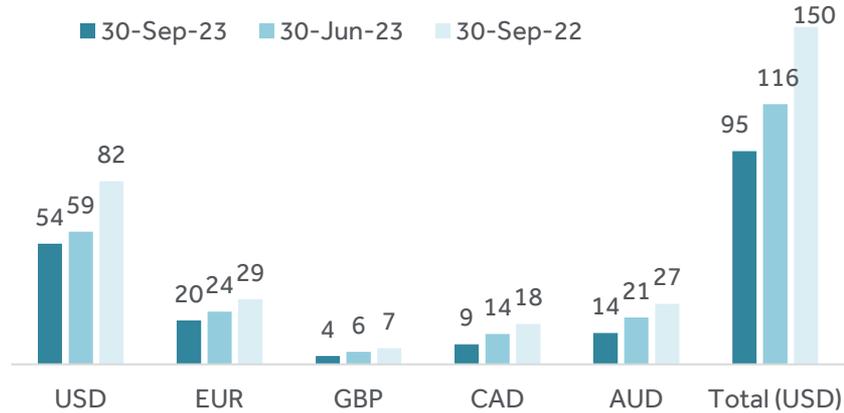
Currency Movement	Q2 FY24		Q1 FY24		Q2 FY23	
	Forward	Spot	Forward	Spot	Forward	Spot
USD	82.5	82.9	80.4	82.2	77.3	79.8
EUR	85.1	89.5	87.4	89.8	91.1	80.6
GBP	96.0	104.0	100.9	103.2	106.0	94.6
AUD	56.9	54.0	56.8	54.6	56.2	55.0
CAD	63.3	61.5	62.5	61.0	60.6	61.6

Forward and spot rates represent average of monthly rates

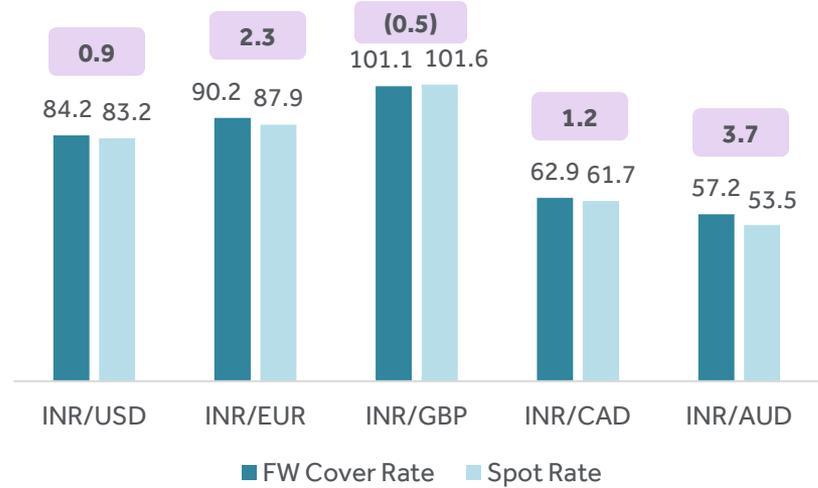
DET HEDGE BOOK

Outstanding Forward Contracts

Value in Respective
Currency Mn.



Booked Rate (in ₹) for next 12 Months



- Considering the current economic conditions & volatility in the currencies, we have aligned to hedge only USD / INR pair upto 40% of H1 FY25 net inflows. We will continue to monitor the fx movements every month end & update our hedge position accordingly for all the currency pairs (USD, GBP, EUR, AUD, CAD). On the current forward contracts, the company has following position for the next 12 months at current spot rates:

- Outstanding Forward Contract as on 30th Sep '23 is **\$95 Mn**

DET OTHER METRICS (1/2)

Revenue by Geography (%)

DET	Q2 FY24	Q1 FY24	Q2 FY23
Americas	43.0%	43.2%	50.7%
Europe, Middle East, Africa	33.4%	34.4%	28.0%
Asia Pacific (including India)	23.6%	22.4%	21.3%

Onsite/offshore Revenue Split (%)

DET	Q2 FY24	Q1 FY24	Q2 FY23
Onsite	55.8%	55.6%	52.0%
Offshore	44.2%	44.4%	48.0%

Revenue by Currency (%)

DET	Q2 FY24	Q1 FY24	Q2 FY23
USD	43.5%	43.7%	49.1%
EURO	19.0%	18.2%	14.1%
GBP	7.5%	7.8%	8.7%
AUD	13.3%	12.3%	11.2%
Others	16.8%	18.0%	17.0%

DET OTHER METRICS (2/2)

Employees

DET	Q2 FY24	Q1 FY24	Q2 FY23
Total Headcount	15,441	15,306	15,004
Technical & Pool	14,386	14,386	14,164
Non- Technical	471	380	349
Support	584	540	491
Voluntary Attrition (LTM)	20.4%	23.0%	29.1%

Top Clients: Revenue Contribution (%)

DET	Q2 FY24	Q1 FY24	Q2 FY23
Top 5	29.5%	29.6%	28.9%
Top 10	39.2%	39.2%	42.0%

No. of Million \$ Clients

DET	Q2 FY24	Q1 FY24	Q2 FY23
20 Mn+	6	7	4
10 Mn+	13	13	12
5 Mn+	31	31	30
1 Mn+	103	90	85
New Clients Added	15	20	17

Note: No. of Million \$ clients are based on TTM (Trailing Twelve Months) revenue

GROUP BALANCE SHEET & INCOME STATEMENT

EXTRACT OF GROUP BALANCE SHEET

Balance Sheet ₹ Mn	Q2FY24	Q1FY24	Q2FY23
EQUITY AND LIABILITIES			
Shareholders' funds			
- Share capital	554	553	552
- Other equity and Non-controlling interest	42,751	38,076	31,230
Total - Shareholders' funds	43,305	38,629	31,782
Non-current liabilities			
- Long-term borrowings and liabilities	6,036	6,484	3,827
- Long-term provisions	1,634	1,656	1,998
- Deferred tax liabilities (net)	791	785	1,051
Total - Non-current liabilities	8,461	8,925	6,876
Current liabilities			
- Short-term borrowings	3,554	4,189	13,320
- Trade payables	6,581	6,756	6,584
- Other current liabilities	7,223	9,848	5,975
- Short-term provisions	1,764	1,831	1,018
Total - Current liabilities	19,122	22,624	26,897
TOTAL - EQUITY AND LIABILITIES	70,888	70,178	65,555

ASSETS

Non-current assets			
- PPE, ROU assets and Other intangible assets	11,816	12,131	13,148
- Goodwill	16,304	16,477	14,405
- Non-current investments	3,780	3,405	3,844
- Deferred tax assets (net)	600	548	365
- Other non-current assets	834	851	918
Total - Non-current assets	33,334	33,412	32,680
Current assets			
- Inventories	4,687	4,538	4,087
- Current investments	1,367	1,283	532
- Trade receivables	12,223	11,270	9,466
- Cash and cash equivalents	10,421	11,303	11,108
- Other current assets	8,856	8,372	7,682
Total - Current assets	37,554	36,766	32,875
TOTAL ASSETS	70,888	70,178	65,555

Foreign Exchange Rate

\$/₹	Q2 FY24	Q1 FY24	Q2 FY23
Average	82.74	82.15	79.89
Closing	83.22	82.07	81.48

GROUP INCOME STATEMENT

Income Statement ₹ Mn	Q2 FY24	Q1 FY24	Q2 FY23
Operating Revenue (\$ Mn)	214.9	205.3	174.8
Operating Revenue (₹ Mn)	17,785	16,865	13,962
Cost of Revenue	11,434	10,695	8,595
Gross profit	6,351	6,170	5,367
Gross margin %	35.7%	36.6%	38.4%
Sales and Marketing	608	529	451
General and Administration	2,485	2,485	2,625
EBITDA (Normalised)	3,258	3,156	2,291
EBITDA margin %	18.3%	18.7%	16.4%
Depreciation and Amortization	658	676	630
EBIT (Normalised)	2,600	2,480	1,660
EBIT margin %	14.6%	14.7%	11.9%
Financial expenses	270	278	345
Other income	136	102	197
Profit before tax (PBT) (Normalised)	2,466	2,304	1,513
Tax	582	527	409
Profit After Tax (Normalised)	1,831	1,767	1,103
PAT margin %	10.3%	10.5%	7.9%
Basic EPS (₹) (Normalised)	16.7	16.1	10.1
One off/ Exceptional item (Post tax)	48	85	312
Profit After Tax (Reported)	1,783	1,681	791
Basic EPS (₹) (Reported)	16.3	15.4	7.2

EBIT AND PAT WALK Q2 FY24 – REPORTED TO NORMALIZED

EBIT Walk ₹ Mn	Q2 FY24	Q1 FY24	Q2 FY23
Reported EBIT (Group)	2,537	2,369	1,234
Reported EBIT (DET)	2,377	2,225	1,077
Add: Exceptional Items and One-off expenses			
Legal expenses	63 <i>(0.4%)</i>	111 <i>(0.8%)</i>	216 <i>(1.8%)</i>
One-off M&A expenses	-	-	211 <i>(1.7%)</i>
Normalised EBIT (Group)	2,600	2,480	1,661
Normalised EBIT (DET)	2,440	2,335	1,504

(Impact on DET EBIT margin)

PAT Walk ₹ Mn	Q2 FY24	Q1 FY24	Q2 FY23
Reported PAT (Group)	1,783	1,681	791
Reported PAT (DET)	1,680	1,617	701
Add: Exceptional Items and One-off expenses			
Legal expenses	48	85	157
One-off M&A expenses	-	-	155
Normalised PAT (Group)	1,831	1,767	1,103
Normalised PAT (DET)	1,728	1,702	1,013

ABOUT CYIENT

Cyient (Estd: 1991, NSE: CYIENT) is a global Digital, Engineering and Technology solutions company. We collaborate with our customers to design digital enterprises, build intelligent products and platforms and solve sustainability challenges. We are committed to designing tomorrow together with our stakeholders and being a culturally inclusive, socially responsible, and environmentally sustainable organization.

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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 Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; Cyient 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 Telecomunições, Ltda, Celfinet Mozambique, Lda; Celfinet Mexico - Consultoria de Telecomunicaciones AS; Sentiec Oyj; Citec Group Oy Ab; Cyient Oy Ab (formerly known as Citec Oy Ab); Citec Engineering France Sarl; Cyient Engineering AB (formerly known as Citec AB); Cyient Engineering & Information GmbH (formerly know as Citec Engineering & Information GmbH); Cyient Group France SAS (formerly known as Citec Group France SAS); Akilea Overseas Ltd.; Citec Norway AS; Citec Engineering India Limited; Cyient Urban Microskill Centre Foundation

Partly owned subsidiary: Cyient Solutions and Systems Private Limited, Cyient DLM Limited

Joint venture: Infotech HAL Ltd

The income statement and cash flow provided is in the internal MIS format. MIS format could be 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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