

CYIENT

# INVESTOR PRESENTATION

Q2 FY24



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# LEADERSHIP TEAM



**KRISHNA BODANAPU**  
Executive Vice-Chairman &  
Managing Director



**KARTHIK NATARAJAN**  
Executive Director & CEO



**PRABHAKAR ATLA**  
President & CFO



### **Business Highlights**

- Business Highlights for the Group



### **Financial Highlights**

- DET (Digital, Engineering & Technology)
- Group



### **DET Business Update**

- BU performance
- Business Outlook
- Innovative Technology Solutions and Programs



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# BUSINESS HIGHLIGHTS FOR THE QUARTER

## Appointment of Independent Director

Nitin Prasad will join the Board as an Independent Director

- During his 25-year career, Nitin has developed, launched, and operated new business verticals in semiconductors, chemicals, energy and clean energy across geographies
- He is passionate about building a sustainable, cleaner energy system and believes collaborations and partnerships are key to solving the challenges of energy transition and climate change

## NASSCOM Design and Engineering summit

Cyient bagged two prestigious awards:

- Enabling Blue economy via Last Mile Hydrogen Fuel delivery for Marine and Automotive applications
- Designing and Engineering the world's most Fuel efficient aircraft engine

## Modern Network Management Award

ESRI is the global leader in location intelligence.

- Received the Modern Network Management Award at the 2023 ESRI Infrastructure Management and geographic information systems (GIS) Conference
- Acknowledgement of Cyient's strength in solving complex problems and exceptional work in advancing GIS technology



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# 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)*



# FINANCIAL HIGHLIGHTS FOR THE QUARTER – DET

178.4M\$

Revenue (\$)

+1.0% cc QoQ | +17.1% cc YoY

1,476 CR₹

Revenue (₹)

+1.5% QoQ | +22.3% YoY

16.5%

EBIT<sup>^</sup>

+47 bps QoQ | +406 bps YoY

173 CR₹

PAT<sup>^</sup>

+1.5% QoQ | +70.8% YoY

15.77 ₹

EPS<sup>^</sup>

+1.4% QoQ | +70.2% YoY

154 CR₹

FCF

-12.7% QoQ | +166.1% YoY

<sup>^</sup>EBIT, PAT and EPS exclude the impact of exceptional item. Refer slide 15 of annexures for details

# FINANCIAL HIGHLIGHTS FOR THE QUARTER – GROUP

214.9M\$

Revenue (\$)

+22.3% cc YoY

1,778 CR₹

Revenue (₹)

+27.4% YoY

14.6%

EBIT<sup>^</sup>

+272 bps YoY

183 CR₹

PAT<sup>^</sup>

+66.0% YoY

16.71 ₹

EPS<sup>^</sup>

+65.5% YoY

36 CR₹

FCF

-47.7% YoY

**Declared an interim dividend of ₹12 per share**

*<sup>^</sup>EBIT, PAT and EPS exclude the impact of exceptional item. Refer slide 15 of annexures for details*



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# BU PERFORMANCE FOR THE QUARTER

Revenue US\$ Mn	Q2 FY24	QoQ (cc)	QoQ (\$)	YoY (cc)	YoY (\$)
Transportation	55.2	<b>2.7%</b>	2.6%	<b>22.1%*</b>	22.0%
Connectivity	41.5	<b>-8.1%</b>	-8.5%	<b>-12.3%</b>	-11.5%
Sustainability	49.5	<b>4.9%</b>	4.5%	<b>71.6%</b>	72.7%
New Growth Areas	32.1	<b>5.7%</b>	5.5%	<b>5.1%</b>	6.2%
<b>DET</b>	<b>178.4</b>	<b>1.0%</b>	<b>0.8%</b>	<b>17.1%</b>	<b>18.1%</b>

## Order Intake (US\$ Mn)

Particulars	Q2 FY24	QoQ (\$)	YoY (\$)
DET	183.9	-4.8%	40.0%

*Note: 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*

- DET Offshore revenue mix for Q2 FY24 at **44.2%** (Q1 FY24 – 44.4%)
- **Won 5 large deals in DET business with total contract potential of \$51.4 Mn in Q2 FY24**

*\*Transportation Q1 & Q2 FY24 revenue includes Engineering Parts business. Like-to-like growth rate excluding Engineering Parts is 20.2% cc YoY*

# BUSINESS PERFORMANCE & OUTLOOK

# BUSINESS PERFORMANCE & OUTLOOK

The rising need for adapting and integrating the latest technologies in product offerings, globalization of ER&D activities, the growing collaboration between OEMs and Service Providers, the constant need to shorten the product lifecycles and continuous product cost optimization are fueling the growth for the Engineering Services market. Market is also buoyant with consumers having ever green appetite for product options infused with latest technologies and this behavior is pushing the demand, despite of macro economical challenges and geopolitical changes, economic slow down factors influencing the markets. Need for higher degree of technological convergence and pervasive use of disruptive technologies across varied industry segments is also pushing the growth and creating more opportunities for Engineering Services organizations.

**Transportation:** As air travel keeps growing, the aerospace industry continues to embrace more of digitalization and advanced technologies. This gives us an opportunity to play a vital role in the development and integration of these technologies to enhance aircraft performance, safety, and efficiency. Increased spend on defense and upgrades, Manufacturing efficiency enhancements, Supply chain, Aftermarket and MRO activities and new players in Urban Air Mobility space will propel growth in this sector. For Rail, its predominantly the software based digital growth

**Connectivity:** Investments in Fibre supported by Government spending around RDOF & BEAD programs continue to be the drivers of growth. Need for Virtualization and Software-Defined Networking is growing, Autonomous Network, Network RAN automation, and enhanced service delivery which is creating more demand. Process modernization using ITSM through technology Partners, Network Management / Testing, Network densification and slicing, digitalization and pervasive use of data driven applications will drive more growth.

**Sustainability:** As governments across the globe take initiatives to boost sustainability, enterprises will continue to increase their sustainability initiatives and efforts. High demand for energy minerals like Li, Ni, zinc, cobalt, copper etc. and increased adoption of automation and digitalization to improve operational efficiency, reduce costs, and ensure worker safety in mines will bring in more growth for Mining sector. For Energy and Utilities Company, transition to a lower carbon integrated energy systems and the increase in distributed generation would mean transition of Distribution Network Operators (DNOs) to become Distribution System Operators (DSOs). Hydrogen & Ammonia based green energy and Carbon Capture Utilization and Storage, Skid based packages for carbon capture for FPSO's are also becoming the growth agents for new business opportunities.

**New Growth Areas:** Shift towards electrification, autonomous and connected vehicles will bring in more opportunities for engineering services in the areas of design and development of EV components, battery technologies, charging infrastructure, electric drivetrains, advanced driver-assistance systems (ADAS), sensor technologies, and connectivity solutions. For Healthcare sector, we see continuous investments and opportunities in Predictive, Proactive and Personalized patient care, Connected devices, Digital platforms, shift to value-based care and need for accelerated testing. Semiconductors will experience increased demand from HPC, AI and Auto segments.

# INNOVATIVE TECHNOLOGY SOLUTIONS AND PROGRAMS (1/2)

Trends	Technology Solutions / Programs
Autonomous Systems & Processes	<b>Semi-autonomous drive, collision &amp; obstacle avoidance</b> for industrial construction equipment using its perception system ensuring <b>Safety</b> .
	Development and execution of automated test scripts and program managing the innovative <b>Cyber Security projects</b> .
	Technology Enhancement for the <b>In car Navigation</b> system using <b>niche embedded</b> services encompassing Android Auto, Connectivity.
Intelligent & Connected Products	<b>Accelerated Smart and Connected Device Dev using CyMedge:</b> Flexible, scalable and re-usable pre-validated SW/HW platform/framework based on Cyient's Middleware SW & off-the-shelf HW.
	Design and Development of low power connected <b>wearable device</b> for evaluation of <b>Heart Failure</b> by using <b>multi-sensors</b> to collect multiparameter <b>physiological signals</b> by application of <b>advanced signal processing techniques</b>
Nextgen Connectivity	Designing & building <b>unified 5G &amp; ORAN lab</b> with the capabilities to perform Automated inter operability testing between the network elements and <b>IOT devices</b>
	<b>Network Analytics &amp; Automation: Cloud enabled AI driven analytical tool</b> to detect & predict the <b>anomalies</b> within the network and resolve using <b>zero-touch automation concepts</b> .
	<b>Enhancing the customer &amp; field management</b> experience through <b>technical analysis</b> from <b>knowledge management solutions</b> and process enhancements for <b>copper &amp; fiber network</b> .
Sustainability	<b>Carbon capture solutions</b> enhancing the feasibility with <b>modular concept</b> that addresses <b>multiple point sources in the plant</b>
	Working on a Plant engineering program where using the <b>Battery storage as a power source</b> to feed a data center in Europe.
	Balance of plant for <b>Hydrogen based green ammonia production</b> .
	<b>Alternative fuels:</b> Working on various <b>engineering projects</b> for delivering <b>gas power plants</b> , for a <b>multi-fuel powered data center</b> with battery storage.
	<b>Renewable fuels:</b> Executing <b>Engineering projects</b> for a heat pump plant to a natural <b>gas and electrical energy producer</b> and for an electrolyte facility targeted for <b>manufacturing battery storages</b> for renewable energy sources.

# INNOVATIVE TECHNOLOGY SOLUTIONS AND PROGRAMS (2/2)

Trends	Technology Solutions / Programs
Generative AI	<b>CyChat: Implementing conversational AI systems</b> for distributing the contextual content to various stakeholders in human like natural language.
	<b>CyData: A Data platform</b> that enables customers to stream real time and onboard batch data from multiple sources to provide insights and predictions.
	<b>CyientifiQ EnGeneer:</b> Enable organizations in distributing the contextual content to various stakeholders in human like natural language using open AI APIs.
	<b>CyText:</b> OCR based platform to extract text data from scanned pdf documents or images and provide option to bookmark the important key-value pairs.
Digital Platforms & Customer Experience	<b>PLM :</b> Developing an Asset management solution for a Mining customer
	<b>Regulatory Compliance Offering using CyARC:</b> Cyient's regulatory compliance platform provides regulatory workflow management, Regulatory Compliance – Augmented Gap analysis.
	<b>AI powered Software Testing CyFAST:</b> Cyient's Framework for Automated System and Software Testing (CyFAST) is an AI-powered end-to-end test integration and automation platform
	<b>Enhanced Operational Grid Analytics using IDMS 2.0 :</b> IDMS 2.0 is data governance & smart grid analytics solution that accelerates data readiness of multiple systems for ADMS integration , Digital Twin Planning and DER integration
	<b>Smart Operations,</b> Building Model based Enterprise solutions (MBD-MI,MBSE), <b>After market process improvement and digitization.</b>
	System Integrator implementation for Information Technology Service Mgt Upgrade of existing Ticket Mgt system through <b>Servicenow</b>



# OUTLOOK



- For FY24, we have guided DET revenue growth to be in the range of **15 – 20%** YoY in constant currency terms. We expect to be at the lower end of the range
- We expect FY24 DET normalized\* EBIT margins to improve by **150 – 250 bps** YoY

# 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.

For more information, please visit [www.cyient.com](http://www.cyient.com). Follow news about the company at @Cyient

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**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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