

CYIENT

INVESTOR PRESENTATION

Q3 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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UPDATE | CIVIL CLASS ACTION LAWSUIT



- Cyient Inc. has entered into an agreement to settle, and dismiss with prejudice, the civil class action antitrust lawsuit for an amount of US\$7.4 million
- The settlement is without admission of any liability and the plaintiffs have agreed to release and discharge all claims associated with this lawsuit against Cyient Inc. and its affiliates
- Cyient Inc. will utilize the insurance amounts available to it towards payment of the aforesaid settlement amount. We have also taken a provision of \$6 million in Q3 FY24 for the same
- The settlement will not have any material adverse effect on Cyient Limited's operations, financial condition, or liquidity

BUSINESS HIGHLIGHTS FOR THE QUARTER

Cyient + SkyDrive Inc.

- SkyDrive Inc. - Japan's leading **eVTOL manufacturer**
- Urban Air Mobility (UAM) offers seamless, secure, and rapid transportation, helping to mitigate current and future challenges faced in urban areas
- The **collaboration** will enable SkyDrive to cater to the **global UAM market**, including India
- This **commitment** demonstrates our dedication to communities and positions us as pioneers in **driving sustainable mobility solutions**

CyientifIQ* Experience Center (CEC)

- Experiential demonstration of **100+** intelligent engineering and technology solutions built in collaboration with **10+** partners
- The state-of-the-art facility will serve as a hub for **innovation, collaboration**, and cutting-edge **research**
- Symbolizes Cyient's collective **imagination, investment and commitment** to solve problems that matter for customers, communities and planet

**CyientifIQ stands for Cyient Forum for Innovation Quotient*



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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

179.2M\$

Revenue (\$)

+1.1% cc QoQ | +5.4% cc YoY

1,491 CR₹

Revenue (₹)

+1.0% QoQ | +8.1% YoY

16.0%

EBIT[^]

-53 bps QoQ | +205 bps YoY

173 CR₹

PAT[^]

0.0% QoQ | +11.5% YoY

15.74₹

EPS[^]

-0.2% QoQ | +11.1% YoY

192 CR₹

FCF

+25.1% QoQ | +51.3% YoY

[^]EBIT, PAT and EPS exclude the impact of exceptional item. Refer slide 15 of annexures for details

FINANCIAL HIGHLIGHTS FOR THE QUARTER | GROUP

218.8M\$

Revenue (\$)

+10.1% cc YoY

1,822 CR₹

Revenue (₹)

+12.6% YoY

14.3%

EBIT[^]

+138bps YoY

186 CR₹

PAT[^]

+14.1% YoY

16.92 ₹

EPS[^]

+13.7% YoY

160 CR₹

FCF

+38.4% YoY

[^]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	Q3 FY24	QoQ (cc)	QoQ (\$)	YoY (cc)	YoY (\$)
Transportation	53.8	-2.2%	-2.6%	16.9%*	17.3%
Connectivity	41.3	0.2%	-0.5%	-13.9%	-12.1%
Sustainability	53.2	8.2%	7.4%	22.1%	24.3%
New Growth Areas	30.8	-3.4%	-4.0%	-5.5%	-4.4%
DET	179.2	1.1%	0.4%	5.4%	6.7%

Order Intake (US\$ Mn)

Particulars	Q3 FY24	QoQ (\$)	YoY (\$)
DET	297.3	61.7%	21.9%^

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

Won 8 large deals in DET business with total contract potential of **\$136.8 Mn** in Q3 FY24

**Transportation Q2 & Q3 FY24 revenue includes Engineering Parts business. Like-to-like growth rate excluding Engineering Parts is 14.8% cc YoY*

^Q3 FY23 Order Intake did not include contribution from acquisition made in FY23. Like-to-like growth rate is 13.1% YoY

BUSINESS PERFORMANCE & OUTLOOK

BUSINESS PERFORMANCE & OUTLOOK

The current market environment is characterized by a rapid pace of technological advancement and a growing demand for innovative, smarter, and more efficient solutions. Customers are increasingly recognizing the need to adapt to new-age technologies and integrate them into their existing product offerings to stay competitive and meet evolving end-customer expectations. The ER&D spend is resilient for the medium to long term because of the above factors in spite of the high interest rates, geopolitical changes, macroeconomic challenges and economic slowdown factors while the priorities are changing in the short term. The ability to innovate and adapt becomes a key differentiator in navigating the complexities of the modern business environment.

Transportation: As air travel keeps growing, the global passenger volume is expected to cross 2019 levels in 2024. The growing travel demand is likely to provide opportunities on MRO & manufacturing production rate improvement of aircrafts & engines. To meet the demand OEM's are aiming to increase their production rate. The supply chain issues keep continuing along with increase in maintenance which are the major opportunities. Increased spend on defense (due to geo political conflicts globally) are increasing more capital expenditure. New growth segments that are emerging are Urban Air Mobility & space. They could propel growth in this sector. The aerospace industry continues to embrace more of digitalization and advanced technologies. Rail segment continues to have software based digital growth.

Connectivity: Pandemic led working model has caused significant growth in the connectivity segment over the last 2-3 years. With current high interest rates, deferred CAPEX are likely to impact the growth momentum. Investments in Fiber supported by Government spending around RDOF & BEAD programs can enable the growth along with need for Virtualization, Software-Defined Networking, Autonomous Network, cost reduction and premium customer experience which can create more demand.

Sustainability: As governments across the globe take initiatives to boost sustainability, enterprises will continue to increase their sustainability initiatives and efforts. The energy requirements are likely to become multifold in next two decades. Demand increases coming from electrification of mobility & electrification of heat pumps. 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 in Mining sector. Increased spend on the maintenance with asset management & optimization for performance. Renewable back up power plants, energy transition around Hydrogen/Ammonia/CCS areas and asset management/maintenance strategy areas for mining.

New Growth Areas: Automotive - Shift towards hybrid/electrification, autonomous, software defined vehicles and connected vehicles will continue to bring in more opportunities for engineering services in the areas of battery technologies, charging infrastructure, electric drivetrains, alternate fuel (hydrogen fuel cell) advanced driver-assistance systems (ADAS), sensor technologies, and connectivity solutions. High interest rates cause hurdles for the faster growth. For **Healthcare** sector, Personalized patient care, Connected devices, Digital platforms will have the investments rest will be deferred for at least in short term. **Semiconductor** - In 2023, global macroeconomic and geopolitical factors emerged as the dominant forces shaping the semiconductor industry. Recovery is expected in CY24. The development of High performance computing, generative AI will boost the growth of capital expenditure related to data centers. We expect semiconductors used for automotive to be the main driver for semiconductor growth in the near to medium term.

INNOVATIVE TECHNOLOGY SOLUTIONS AND PROGRAMS (1/2)

Trends	Technology Solutions / Programs
Autonomous Systems & Processes	Connected car (Software-defined Vehicles), Design, Develop and Test algorithms for L2 and I3 level on their Vehicles, V&V, HIL and SIL Testing.
	3 large programs on Digital Engineering Services & Solution Accelerators for Digital Engineering in Data & AI and Gen AI .
Intelligent & Connected Products	Accelerated Smart and Connected Device Dev using CyMedge: Flexible, scalable and re-usable pre-validated SW/HW platform/framework based on Cyient's Middleware SW & off-the-shelf HW.
	Design and Develop a smart energy meter SOC for a semiconductor chip manufacturer
Nextgen Connectivity	Network Analytics & Automation: Cloud enabled AI driven analytical tool to detect & predict the anomalies within the network and resolve using zero-touch automation concepts
	Wireless end to end play. A Managed services program which includes design (using Gen AI), rollout, integrate, radio access, core and IP transmission network providing services to end customers and optimizing services using RPA and VISMONZTC as per the demand
Sustainability	Design and build of compact carbon capture unit for small industrial setup's that provides cost effective carbon capture solutions
	Low carbon foot print design of a FPSO with operations running with renewal electricity
	Design of dual fuel engines to work on natural gas and bio diesel with option of integration with renewal sources
	Working on a Plant engineering program where using the Battery storage as a power source to feed a data center in Europe.
	Flexicycle (combined cycle) power plant in Saudi which runs on Natural gas

INNOVATIVE TECHNOLOGY SOLUTIONS AND PROGRAMS (2/2)

Trends	Technology Solutions / Programs
Generative AI	<p>CyentifiQ EnGeneer: Enable organizations in distributing the contextual content to various stakeholders in human like natural language using open AI APIs</p>
	<p>CyVision: Video intelligence platform that enables to identify the objects such as vehicles and persons from live videos using deep learning models.</p>
	<p>CyText: OCR based platform to extract text data from scanned pdf documents or images and provide option to bookmark the important key-value pairs.</p>
	<p>CyData / CyPred: A Data platform that enables customers to stream real time and onboard batch data from multiple sources such as ERP systems and Non ERP systems and other transactions data to provide insights and predictions.</p>
Digital Platforms & Customer Experience	<p>Regulatory Compliance Offering using CyARC: Cyient's regulatory compliance platform provides regulatory workflow management, Regulatory Compliance – Augmented Gap analysis.</p>
	<p>AI powered Software Testing CyFAST: Cyient's Framework for Automated System and Software Testing (CyFAST) is an AI-powered end-to-end test integration and automation platform</p>
	<p>Implementation of FSM and integrating with existing enterprise eco systems.</p>

OUTLOOK



- For FY24, we expect DET revenue growth to be tad lower than our earlier guided range. We expect it to be in the range of **13% - 13.5%** YoY in constant currency terms
- We expect FY24 DET normalized* EBIT margins to improve by **200 – 250 bps** YoY

**Normalized EBIT excludes the impact of exceptional item*

ABOUT CYIENT

Cyient (Estd: 1991, NSE: CYIENT) partners with over 300 customers, including 40% of the top 100 global innovators, to deliver intelligent engineering and technology solutions for creating a digital, autonomous, and sustainable future. As a company, Cyient is committed to designing a culturally inclusive, socially responsible, and environmentally sustainable Tomorrow Together with our stakeholders.

For more information, please visit www.cyient.com

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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.; Cyient Norway AS (formerly known as 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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