

21 January 2020

The BSE Limited
PJ Towers, 25th Floor,
Dalal Street
Mumbai 400001.
Scrip Code: 532175

The National Stock Exchange of India Ltd
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E)
Mumbai-400 051.
Scrip Code: CYIENT

Dear Sir,

Sub: Investor Presentation – Reg.

Please find enclosed investor presentation issued by the company on the financial results for the quarter and nine months ended 31 December 2020.

This is for your information and records.

Thanking you
For Cyient Limited



Ravi Kumar Nukala
Dy. Company Secretary



CYIENT

INVESTOR PRESENTATION

Q3 FY21

Confidentiality Statement

The information shared herein is strictly confidential, proprietary and unique to the company. It is only made and shared for the purpose and extent it is intended for and no other. Usage or sharing of the said information in any form, directly or indirectly and in any manner whatsoever, might constitute a violation of laws or regulations in vogue in geographies in which the company operates, besides breaching confidentiality. The users shall meet any liability emanating from such violation and shall indemnify company for any loss, damage, expense, penalty, fine, fee, charges incurred by company on account of any such violation.

- Leadership team



BVR MOHAN REDDY
Executive Chairman



KRISHNA BODANAPU
MD & CEO



AJAY AGGARWAL
President & CFO



KARTHIK NATARAJAN
President & COO

Highlights

- Financial Highlights
- Business Highlights
- Performance linked ESOP scheme

Financial Update

- Revenue
- Income statement update
- Margin bridge
- Cash generation

Business Update

- BU performance update
- New GTM organization Structure

Annexures

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Highlights for the Quarter (1/3)

Revenue

4.1% QoQ (₹ terms)

4.7% QoQ (\$ terms)

Quarterly revenue at
\$141.4Mn/₹10,443Mn

Consolidated EBIT Margin @ 11.2%

Services EBIT margin at 11.3%

DLM EBIT margin at 10.6%

PAT Margin @ 9.1%

PAT for the quarter at ₹954 Mn

Financial Highlights for Quarter

- Consolidated revenue at \$141.4 Mn; growth of 4.7% QoQ (4.1% in CC) and de-growth of 8.9% YoY
- Services revenue at \$115.3 Mn; growth of 1.0% QoQ (0.3% in CC). IGP contributed 1.2% to services revenue growth
- DLM revenue at \$26.0 Mn; growth of 24.8% QoQ, and growth of 72.4% YoY
- Free cash flow to EBITDA conversion for the quarter at 85.8%. YTD FCF is highest ever at ₹5,714 Mn up by 119% YoY
- Consolidated EBIT margin at 11.2% up by 14 bps QoQ
- EBIT margin for services at 11.3%, down 88 bps QoQ
- Highest ever EBIT margin for DLM at 10.6%, up 594 bps QoQ
- Profit After Tax at ₹954 Mn for the quarter; growth of 13.8% QoQ

• Highlights for the Quarter (2/3)

Leadership position in Engineering and R&D Services in Zinnov ratings

- Cyient has been placed in the top quadrant in the overall ER&D services category for the seventh consecutive year in the Zinnov Zones annual ratings
- Within ER&D services, Cyient maintained its “leadership” position in the aerospace, industrial, medical devices, telecom, and the software-defined network-NFV verticals. The report also recognizes Cyient’s mature Digital Engineering Services capabilities

Thales - 2020 Supplier Performance Award

- Demonstrates Cyient’s dedication and consistent commitment to delivering value to its business partners and customers. Thales issues this award annually to recognize suppliers for achieving excellence in execution
- Recognized for “on-conformity delivery performance”
- Achieved “Class A” rating for “on-time delivery performance”

SPRINT partners with Cyient to facilitate collaboration in Space Data and Technologies

- The partnership will enable Cyient to identify new business opportunities, to lower its product development costs and to offer cutting edge geospatial solutions with higher precision.
- The partnership will also assist Cyient in accessing industry experts from UK Academic Institutions and small businesses for collaborative space data and technology projects across UK

• Highlights for the Quarter (3/3) •

Signed an MoU with SaaS Provider Decipher to support the Global Rollout of Key Cloud Mining Platform

- The platform will help streamline tailings and rehabilitation monitoring in the industry
- Collaboration will enable global mining players to meet regulatory compliance and monitoring guidelines

Collaboration with SR University to help advance the field of Additive Manufacturing

- Cyient will help SR University in developing an industry-oriented curriculum focused on advanced manufacturing systems. This will help reduce the skill gap between the need and availability of resources trained in areas such as design for additive manufacturing
- Cyient will look to SR University to lead innovation through industry-aligned research and development in the field of advanced materials, design, and process controls.

• Proposal: Performance linked ESOP Scheme

Objective

- Opportunity for employees to participate in the long term value creation of the company
- Alignment of employees and shareholder interests

Scheme Details

- Cyient Associate Stock Option Scheme 2021 Trust to acquire 2 million shares via secondary acquisition
- The options on these shares shall be granted to the employees at face value
- Allocation based on management recommendation and approved by LNR committee based on performance and role

Criteria

- Vesting will begin upon achieving revenue, operating profit & sustainable share price milestones
- Vesting will occur in 3 tranches based on the associated targets
- Operational targets benchmarked to best in class performance
- The scheme will cover about 80 to 100 senior associates who can significantly influence the Company's performance

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Revenue for Q3 FY21

Revenue	Q3 FY21	Q2 FY21	Q1 FY21	Q4 FY20	Q3 FY20	QoQ	YoY
Group							
\$ Mn	141.4	135.0	130.6	149.2	155.2	4.7%	-8.9%
₹ Mn	10,443	10,033	9,917	10,736	11,060	4.1%	-5.6%
Services							
\$ Mn	115.3	114.1	112.2	132.3	140.1	1.0%	-17.7%
₹ Mn	8,521	8,487	8,521	9,513	9,984	0.4%	-14.6%
DLM							
\$ Mn	26.0	20.9	18.4	17.0	15.1	24.8%	72.4%
₹ Mn	1,921	1,546	1,396	1,222	1,076	24.3%	78.6%

Revenue USD Mn	Q3 FY21	QoQ	YoY
Geography			
NAM	69.4	3.0%	-20.6%
EMEA	35.8	-8.3%	-13.4%
APAC incl India	36.2	26.8%	37.0%

- Services growth of 1.0% QoQ. IGP contributed 1.2% to services revenue growth
- Overall DLM is higher by 24.8% QoQ (+\$5.2 Mn) primarily due to increase in Standalone DLM revenue of \$4.8 Mn QoQ

Income statement for Q3 FY21

All Figures in ₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20
Revenue	10,443	10,033	11,060
EBIT (Reported)	1,165	1,105	1,063
PAT (Reported)	954	839	1,083
EPS (₹ Reported)	8.7	7.6	9.8

All Figures in %	Q3 FY21	Q2 FY21	Q3 FY20
Gross Margin	34.6%	35.7%	36.0%
EBIT Margin (Reported)	11.2%	11.0%	9.6%
ETR	23.5%	23.1%	23.3%
PAT Margin (Reported)	9.1%	8.4%	9.8%

Profit After Tax Movement

- PAT increased by 13.8% QoQ primarily from higher other income (₹126 Mn) partially offset by higher tax from higher profits & increase in finance charges
- ETR is 23.5%. Higher by 40 bps from Q2 ETR of 23.1%

QoQ EBIT Movement

- Consolidated EBIT margin stood at 11.2%; up by 14 bps QoQ
- In Q3, we rolled out wage hikes for individual contributors (roughly 2/3rd of the associates), the impact of which was ~1% on EBIT
- Services EBIT at 11.3% was lower by 88 bps QoQ after taking into account the wage hike and furlough impact.
- There were improvements in operational metrics, favourable volume impact and lower spend on SG&A and depreciation which offset the headwinds mentioned above (Please refer slide 14).
- DLM margins at 10.6%, up 594 bps QoQ driven by better revenue mix

- EBIT margin bridge for Q3 FY21

Particulars	
EBIT Q2 FY21 (Group)	11.0%
<i>Less DLM impact</i>	<i>116 bps</i>
EBIT Q2 FY21 (Services)	12.2%
Tailwinds in Q3 FY21	
<i>Improvements in operational metrics</i>	<i>78 bps</i>
<i>Lower restructuring cost</i>	<i>45 bps</i>
<i>Volume impact and lower spend on SGA & depreciation</i>	<i>30 bps</i>
Headwinds in Q3 FY21	
<i>Impact on merit increase</i>	<i>-95 bps</i>
<i>Furlough impact</i>	<i>-90 bps</i>
<i>Increase in other direct costs</i>	<i>-55 bps</i>
EBIT Q3 FY21 (Services)	11.3%
<i>Add DLM impact</i>	<i>10 bps</i>
EBIT Q3 FY21 (Group)	11.2%

- We expect sequential improvement in margins in Q4 FY21 driven by the increase in volume and improvement in operational efficiencies

Cash Generation for Q3 FY21

All Figures in ₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20
Services			
Profit before tax	1,109	1,103	1,403
(+/-) Non-cash & non-operating items	339	388	438
Operating profit before WC changes	1,448	1,492	1,841
(+/-) DSO Movement (Receivables)	586	1,223	581
(+/-) Other WC changes	184	-257	46
Operating CF after WC changes	2,218	2,458	2,468
Less: Taxes	-382	-369	-260
Less: Capex	-105	-39	-236
FCF Services	1,731	2,050	1,972
DLM			
Free Cash Flow generated (DLM) - ii	-213	-18	-15
Group FCF (i+ii)	1,518	2,032	1,957
FCF to EBITDA Conversion	85.8%	131.4%	102.4%

Note: Free Cash Flow (FCF), which was being earlier prepared as per management reporting, has been aligned to statutory reporting with effect from Q1 FY21. Consequently, the comparative periods have also been recast to reflect the change. The format for presentation has also been suitably amended

Cash Generation

- Cash and cash equivalents at healthy level of ₹ 14,313 Mn
- In Q3, the cash flow conversion stood at 85.8% for group and 113.4% for Services. DLM has consumed cash of ₹213 Mn in Q3 FY21

Highlights	Financial Update	Business Update
<ul style="list-style-type: none">• Financial Highlights• Business Highlights• Performance linked ESOP scheme	<ul style="list-style-type: none">• Revenue• Income statement update• Margin bridge• Cash generation	<ul style="list-style-type: none">• BU performance update• New GTM organization structure
<i>Annexures</i>		

• BU performance Q3 FY21

Business Units	Services			DLM			Group		
	\$ Mn	QoQ	YoY	\$ Mn	QoQ	YoY	\$ Mn	QoQ	YoY
A&D	29.2	-5.7%	-35.3%	16.9	44.0%	88.1%	46.1	8.0%	-14.8%
Communications	34.1	5.2%	-0.2%	0.1	-3.8%	-66.8%	34.1	5.2%	-0.6%
E&U	14.9	13.9%	-26.6%	1.9	43.7%	-13.0%	16.9	16.7%	-25.3%
Transportation	15.9	-2.5%	2.1%	0.4	395.2%	16791%	16.3	-0.5%	4.7%
Portfolio	11.9	-0.4%	-19.1%	NA	NA	NA	11.9	-0.4%	-19.1%
SIA	6.1	0.2%	-12.0%	NA	NA	NA	6.1	0.2%	-12.0%
MT&H	3.3	-4.1%	-0.9%	6.7	-12.5%	80.7%	10.0	-9.9%	41.6%
Total	115.3	1.0%	-17.7%	26.0	24.8%	72.3%	141.4	4.7%	-8.9%
<i>CC Growth</i>		<i>0.3%</i>	<i>-19.7%</i>					<i>4.1%</i>	<i>-10.4%</i>

- Group growth stood at 4.7% QoQ and 4.1% in cc
- Services growth stood at 1.0% QoQ and 0.3% in cc
- DLM growth stood at 24.8% QoQ
- Order intake in Q3 FY21 is at \$194.5 Mn, increased by 52.8% QoQ.
- Won 5 multi year deals with total contract potential of \$106 million:
 - Won 3 large deals worth \$50 million with top 5 telecom companies
 - Won a deal in DLM worth \$36 million
 - Won a deal from a Med Tech company worth \$20 million

- The need for a new structure

The new organization structure will help Cyient improve performance across three key dimensions:

1

Accelerate growth through a well-structured and efficient Go-to-Market (GTM) organization

2

Improve operational agility and execution excellence through a Delivery 4.0 organization

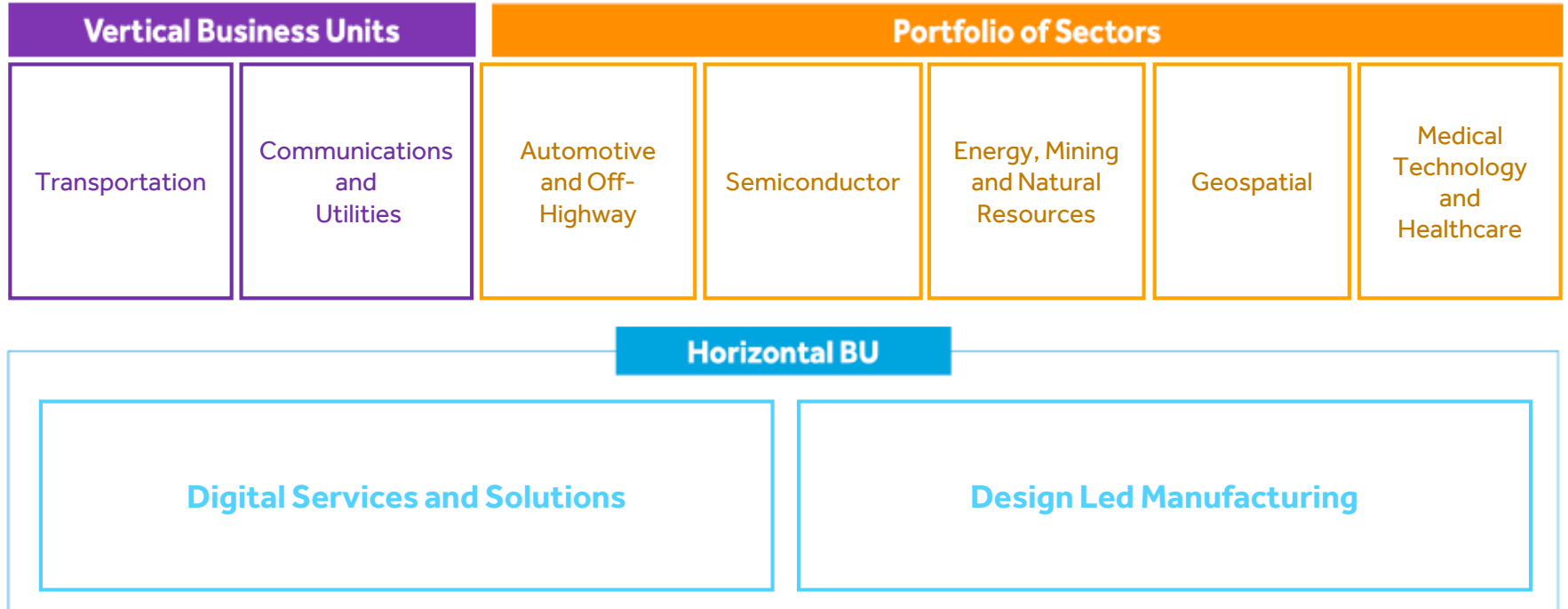
3

Enhance our value proposition through Design-Led Manufacturing and Digital capabilities

• New Go-To-Market (GTM) Organization Structure

Our Go-to-Market (GTM) structure is realigned into:

- Two Vertical Business Units
- Two Horizontal Business Units
- Portfolio of five sectors



- BU performance per new structure Q3FY21

Business Units	Services			DLM			Group		
	\$ Mn	QoQ	YoY	\$ Mn	QoQ	YoY	\$ Mn	QoQ	YoY
Transportation	45.1	-4.6%	-25.7%	17.3	46.4%	92.6%	62.4	5.6%	-10.4%
Aerospace	29.2	-5.7%	-35.3%	16.9	44.0%	88.1%	46.1	8.0%	-14.8%
Rail transportation	15.9	-2.5%	2.1%	0.4	395.2%	16791%	16.3	-0.5%	4.7%
C&U	41.2	5.5%	-11.9%	0.1	-95.9%	-97.6%	41.3	1.9%	-16.1%
Communications	34.1	5.2%	-0.2%	0.1	-3.8%	-66.8%	34.1	5.2%	-0.6%
Utilities	7.2	6.7%	-43.3%	0.0	-100.0%	-100.0%	7.2	-11.4%	-52.0%
Portfolio	29.0	4.2%	-11.1%	8.6	13.5%	136.4%	37.6	6.2%	3.7%
Total	115.3	1.0%	-17.7%	26.0	24.8%	72.3%	141.4	4.7%	-8.9%
<i>CC Growth</i>		<i>0.3%</i>	<i>-19.7%</i>					<i>4.1%</i>	<i>-10.4%</i>

- We will continue to report the BU wise numbers in the old and new formats till Q4 FY21 during the transition and will shift to the new format from Q1 FY22 onwards

• Business Performance & Outlook (1/3)

Aerospace & Defense

Aerospace & Defense BU grew by 8.0% QoQ and declined by 14.8% YoY. While the services business de-grew by 5.7% QoQ, our design led manufacturing business grew by 44% due to the increased spend by India/Israel. We expect a return to stability from Q4 onwards. The industry is expected to see signs of recovery from the mid-year onwards. While the business may take time to pick up, we are confident of our client relationships and growth potential in the long term.

Communications

Communications business grew by 5.2% QoQ and declined by 0.6% YoY. Growth in the business was driven by growth in key accounts and few large deal wins. We won 4 key deals in the areas of fiber, wireless, system integration and 5G rollout from existing and new clients. These long term deals strengthen our position in the Communications segment and provide a platform for further expansion. We continue to benefit from accelerated deployment of 5G networks which form ~10% of our revenue portfolio for this segment. Our outlook for Q4 and full year remains positive, supported by investments in technology led network transformation and accelerated deployment of broadband and wireless infrastructure.

Transportation

Transportation business declined by 0.5% QoQ and grew by 4.7% YoY. The QoQ drop was primarily due to right shifting of projects from some of our clients. We are optimistic about the recovery in Q4, driven by traction in key client accounts. In general, increased spends in rail transportation and consolidation in rail industry provide a strong outlook.

• Business Performance & Outlook (2/3)

E&U

Our E&U business grew by 16.7% QoQ and declined by 25.3% YoY driven by growth in key accounts. We expect the positive momentum to continue in Q4, driven by our focus on expanding the presence in the EPC sector, specifically around power generation facilities, facility system integrations, and energy storage projects. For Utilities, our focus will be on digital solutions in design automation and predictive maintenance applications for asset management.

MTH

Medical Technology and Healthcare business declined 9.9% QoQ and grew by 41.6% YoY. The QoQ de-growth was due the supply chain issues which impacted one of our top DLM clients. We continue to see a strong YoY growth in our DLM business primarily due to demand for medical devices and equipment to diagnose and treat COVID-19 patients. Our services business is well placed for growth with two contracts signed with key clients over the quarter. Our outlook for Q4 remains positive backed by strong client engagements and new contract wins.

Portfolio

Our Portfolio business witnessed a decline of 0.4% QoQ and a decline of 19.1% YoY. While the industrial segment continues to witness challenges due to reduced spend, the geospatial business witnessed growth across all key clients. We witnessed accelerated growth in one of our new clients and expect it to be among our top 5 geospatial clients. Our outlook for Q4 remains positive for the geospatial segment while Industrial segment will continue to face some challenges.

• Business Performance & Outlook (3/3) •

SIA

Semiconductor was flat QoQ and witnessed a decline of 12% YoY. This was mainly due to Turnkey ASIC development where the customers (typically OEM companies) are still reluctant to make new investments. We expect the softness in this vertical to continue in Q4 post which there should be pick up in growth.

DLM

The focus on mining of existing accounts coupled with opportunities in Indian Defense has led to a growth of 24.8% QoQ and 72.4% YoY. We have taken a lot of effort in localization of parts, inventory management, material cost reductions and automation which has led to a significant improvement in margins. Our decision to move out of low margin accounts is also showing up in the improved margin profile. Strong order pipeline coupled with order backlog gives us momentum to sustain the growth and margins.

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 Private Limited, Cyient Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; AnSem B.V.; and Cyient AB.

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.



THANK YOU



CYIENT

INVESTOR PRESENTATION ANNEXURE

Q3 FY21

• Message from the Management



Commenting on the results, Mr. Krishna Bodanapu, Managing Director and Chief Executive Officer, said “Q3 FY21 results are in line with our expectations, we recorded a revenue of \$141.4 Mn which was higher by 4.1% QoQ and lower by 10.4% YoY in constant currency. Services business recorded a revenue of \$115.3 Mn. The revenue for the Design Led Manufacturing (DLM) business stood at \$26 Mn and grew by 24.8% QoQ and 72.4 % YoY. The EBIT margin at 11.2% is higher by 14 bps QoQ and 154 bps YoY, mainly driven by operational efficiency, better DLM margins and lower SG&A spending.

We continue to focus on improving operational efficiency and executing actions to bring growth back in the business. We won a number of large deals which sets us up for a stronger performance in the coming quarters. Our Order Intake (OI) for the quarter has increased by 7% YoY backed by strong growth in key clients and digital opportunities. The new organization structure implemented in the last quarter is settling in well and we see increased growth traction with opportunities in key industries. We continue to strengthen our relationship with our existing clients. This quarter we were awarded with the Supplier Performance Award for delivery excellence by Thales and Annual Productivity and Cost Saving Award by Pratt and Whitney which speaks of our commitment to our client’s success.

We expect the recovery in the business through Q4 FY21 with services business growing sequentially driven by growth across all segments except Aerospace & Defense which is expected to remain flat. Our outlook for FY21 remains unchanged wherein we expect a double-digit de-growth in revenue.”

• Message from the Management



Commenting on the results, Mr. Ajay Aggarwal, President & CFO, said, “It is satisfying to see all-round growth in revenue, operating & net profit and cash generation this quarter. The revenue for Q3FY21 stood at \$141.4 Mn; growth of 4.7% QoQ (4.1% in CC). Improvement in operating profit as a focus area has percolated to all levels in the organisation. Consolidated EBIT margin stood at 11.2%; up by 14 bps QoQ despite furloughs and hikes. DLM margins were the highest ever at 10.6%, up 594 bps QoQ. Profit after Tax at ₹954 Mn for the quarter; growth of 13.8% QoQ..

I am pleased to report that Cyient generated a robust cash flow of INR 1518 Mn in Q3FY21, translating to 85.8% of EBITDA conversion for the quarter (YTD FCF highest ever at INR 5714 Mn at 117% EBITDA conversion). DSO is at 88 days (lower by 2 days QoQ and 6 days YoY). This is a reflection of our continuous improvement on various drivers of cash generation viz. DSO collection, Capex rationalization and other initiatives. Our cash balance stands at INR 14,313 Mn. With strong cash flow generation contributing to the cash balance quarter on quarter, we will continue to focus on strategic investments.

We expect the momentum to continue in the coming quarters as well. Maximizing shareholder wealth is paramount to us and we will continue to focus on all the drivers to make this happen i.e. revenue & profit growth and cash generation. We are working towards achieving even better results in the coming years.”

Consolidated Financial Metrics

Key Financial Metrics

₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20	Growth %	
				QoQ	YoY
Revenue	10,443	10,033	11,060	4.1%	-5.6%
Reported EBIT	1,165	1,105	1,063	5.5%	9.6%
EBIT margin	11.2%	11.0%	9.6%	14 bps	154 bps
Reported PAT	954	839	1,083	13.8%	-11.9%
Reported EPS (₹)	8.7	7.6	9.8	13.7%	-11.9%

Key Financial Metrics

\$ Mn	Q3 FY21	Q2 FY21	Q3 FY20	Growth %	
				QoQ	YoY
Revenue	141.4	135.0	155.2	4.7%	-8.9%
EBIT	15.8	14.9	14.9	6.1%	5.7%
EBIT margin	11.2%	11.0%	9.6%	14 bps	154 bps
Reported PAT	12.9	11.3	15.2	14.5%	-15.0%

Foreign Exchange Rate

\$/₹	Q3 FY21	Q2 FY21	Q3 FY20
Quarter Average	73.87	74.32	71.27
Quarter Closing	73.27	73.78	71.39

Consolidated Revenue Segmentation

By Geography (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Americas	49.1%	49.9%	56.3%
Europe, Middle East, Africa	25.3%	28.9%	26.6%
Asia Pacific (includes India)	25.6%	21.2%	17.1%

By Business Unit (%)[^]

	Q3 FY21	Q2 FY21	Q3 FY20
Aerospace and Defense	32.6%	31.6%	34.8%
Transportation	11.5%	12.1%	10.1%
Energy and Utilities	11.9%	10.7%	14.5%
Semiconductor, IoT and Analytics	4.3%	4.5%	4.4%
Medical, Technology and Healthcare	7.1%	8.2%	4.5%
Communications	24.1%	24.0%	22.2%
Portfolio	8.4%	8.8%	9.4%

[^] Including DLM split across BUs

Consolidated Operations Metrics

Account Receivables (in Days)

	Q3 FY21	Q2 FY21	Q3 FY20
DSO Total	88	90	94
- Billed	68	64	59
- Unbilled	20	26	35

Order Intake (\$ Mn)^

	Q3 FY21	Q2 FY21	Q3 FY20
Cyient Services	178	112	173
DLM	17	15	8
Group OI Total	195	127	181

^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 (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Top 5	28.8%	29.5%	33.0%
Top 10	38.4%	38.4%	44.5%

No. of Million \$ Clients

	Q3 FY21	Q2 FY21	Q3 FY20
20 Mn+	3	3	4
10 Mn+	7	7	11
5 Mn+	32	32	28
1 Mn+	94	96	93
New Clients Added	13	16	13

Consolidated Employee Metrics

Employee

	Q3 FY21	Q2 FY21	Q3 FY20
Total Headcount	12,187	12,267	14,472
Technical & Pool	11,248	11,335	13,405
Non-Technical	334	310	378
Support	605	622	689
Voluntary Attrition	13.2%	9.2%	19.7%

Consolidated Other Financial Metrics

Capex (₹ Mn)^

	Q3 FY21	Q2 FY21	Q3 FY20
Capital Expenditure	189	120	652

^Capex includes investment and business capex

Cash Position (₹ Mn)

	Q3 FY21	Q2 FY21	Q3 FY20
Cash & Cash Equivalent	14,313	13,509	10,239
Cash & Bank balances	5,150	4,680	4,172
Investments in FDs	9,163	8,829	5,070
Investment in MFs	0	0	997

Outstanding Forward Contracts (Mn of respective currencies)^

	Q3 FY21	Q2 FY21	Q3 FY20
USD / INR	70.6	69.1	68.7
EURO / INR	29.1	28.8	25.9
GBP / INR	6.8	6.5	6.5
AUD / INR	28.8	27.7	24.7

^Forward contracts are taken only for services business

Consolidated Income Statement

₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20
Operating Revenue	10,443	10,033	11,060
Cost of Revenue	6,826	6,449	7,082
Direct Salary and related costs	4,219	4,075	4,873
Direct Travel	81	97	190
Delivery Management	209	249	201
Material cost	1,319	1,074	661
Other costs incl Subcontract costs	998	954	1,158
Gross profit	3,617	3,584	3,978
Sales and Marketing	423	365	555
General and Administration	1,544	1,630	1,889
Depreciation and Amortization	485	484	470
EBIT	1,165	1,105	1,063
Financial expenses	136	107	129
Other income	219	93	498
Profit before tax (PBT)	1,248	1,091	1,433
Tax	294	252	333
Associate & Minority Profit	0.1	0.1	-16.5
Profit After Tax (Reported)	954	839	1,083
Basic EPS (₹) (Reported)	8.7	7.6	9.8
Gross Margin	34.6%	35.7%	36.0%
EBIT Margin	11.2%	11.0%	9.6%
Effective Tax Rate	23.5%	23.1%	23.3%
PAT Margin (Reported)	9.1%	8.4%	9.8%

Consolidated Balance Sheet

₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20
EQUITY AND LIABILITIES			
Shareholders' funds			
- Share capital	550	550	550
- Reserves and surplus	27,781	26,841	25,539
Total - Shareholders' funds	28,331	27,391	26,089
Non-current liabilities			
- Long-term borrowings and liabilities	3,262	2,891	3,591
- Long-term provisions	1,299	1,222	1,155
- Deferred tax liabilities (net)	306	269	378
Total - Non-current liabilities	4,867	4,382	5,124
Current liabilities			
- Short-term borrowings	3,350	3,407	3,100
- Trade payables	3,859	3,722	3,911
- Other current liabilities	3,815	3,620	3,842
- Short-term provisions	712	751	558
Total - Current liabilities	11,736	11,500	11,411
TOTAL - EQUITY AND LIABILITIES	44,934	43,273	42,624
ASSETS			
Non-current assets			
- Property, plant and equipment	8,910	8,795	8,930
- Goodwill	6,123	5,384	5,331
- Non-current investments	450	426	332
- Deferred tax assets (net)	428	337	505
- Other non-current assets	1,664	1,740	1,783
Total - Non-current assets	17,575	16,682	16,881
Current assets			
- Inventories	1,634	1,657	2,259
- Current investments	3	0	997
- Trade receivables	7,670	6,938	7,297
- Cash and cash equivalents	14,313	13,509	9,242
- Other current assets	3,739	4,487	5,948
Total - Current assets	27,359	26,591	25,743
TOTAL ASSETS	44,934	43,273	42,624

Consolidated Cash Flow Movement

₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20
Free cash flow from operations	1,518	2,032	1,957
Investment in non current investments	-640	-15	0
Interest received	175	132	138
Finance costs paid	-51	-47	-73
Proceeds/(Repayment) of borrowings, net	-118	612	785
Repayment of lease liabilities	-122	-265	-172
Dividend paid	-2	1	-796
Others	44	-39	-232
Net change in cash	804	2,411	1,598
Opening cash position	13,509	11,098	13,509
Closing cash position	14,313	13,509	10,239
FCF to EBITDA[^] Conversion	85.8%	131.4%	102.4%

[^]EBITDA used for FCF conversion includes other income part of cash flow from operations

Note: Free Cash Flow (FCF), which was being earlier prepared as per management reporting, has been aligned to statutory reporting with effect from Q1 FY21. Consequently, the comparative periods have also been recast to reflect the change. The format for presentation has also been suitably amended

Other Income for Q3 FY21

All Figures in ₹ Mn	Q3 FY21	Q2 FY21	Q3 FY20
Income from Treasury			
Interest on Invesmtents/Deposits	128	115	88
Dividend on Mutual Funds	0	0	8
Subtotal (A)	128	115	96
Realised gains/(losses) on Fwd Contracts (B)	(43)	(66)	151
Unrealised Fx gains/(losses) (C)	74	(26)	184
Others			
Interest on IT Refunds	0	0	0
Reversal of Old provisions	0	7	23
Rents received	2	5	7
Tax incentives on export of merchandise	0	0	18
Others	58	59	19
Others (D)	60	71	67
Grand total (A+B+C+D)	219	93	498

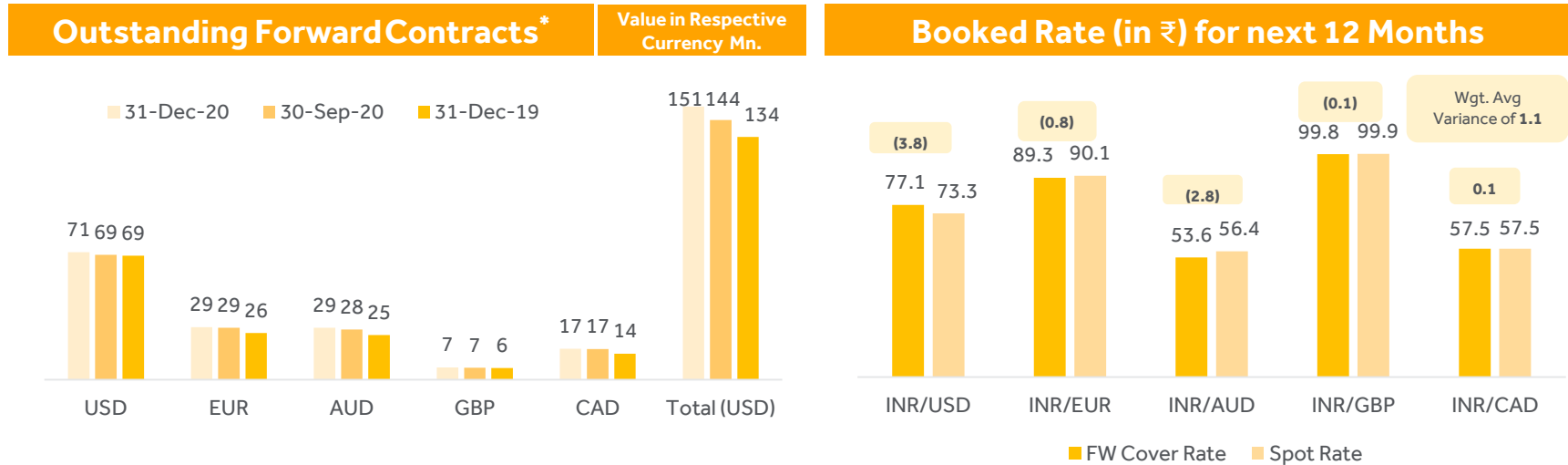
Currency Movement	Q3 FY21		Q2 FY21		Q3 FY20	
	Forward	Spot	Forward	Spot	Forward	Spot
USD	74.2	74.0	73.3	74.1	74.5	71.3
EUR	84.3	88.3	83.1	87.2	87.4	79.1
GBP	97.1	98.3	91.3	96.6	96.7	91.7
AUD	51.4	54.2	51.0	53.3	53.4	48.7
CAD	56.1	56.7	55.9	56.0	56.0	54.0

Forward and spot rates represent average of monthly rates

For the quarter

- Other income is higher by ₹126 Mn (+136% QoQ)
- Treasury income has improved by ₹13 Mn from higher invested cash, despite lower average yield
- Forward contract loss is ₹43 Mn, movement of ₹23 Mn QoQ (mainly from favourable movement in USD contracts vs Q2)
- Unrealised Fx gain is mainly from restatement of balance sheet items in India & UK offset by losses in NAM and Germany entities
- Others include export incentives and fair value gains

Hedge Book for Q3 FY21



- Due to volatility in major currencies (USD, GBP, EUR, CAD and AUD), the company follows the policy to hedge up to 80% of net inflows for the rolling 12 months.
- On the current forward contracts, the company has following position for the next 12 months at current spot rates:
 - Outstanding Forward Contract as on 31st Dec'20 in ~ **\$ 151 Mn**
 - If the spot rate remains at same level (as at 31st Dec'20), forex gain on current forward contracts could be ~**\$ 2.3 Mn**

*Outstanding forward contracts excludes CyientDLM

Cyient Metrics (Excluding Design Led Manufacturing)

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

By Geography (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Americas	53.2%	53.4%	57.5%
Europe, Middle East, Africa	28.2%	28.6%	25.5%
Asia Pacific (including India)	18.6%	18.0%	16.9%

By Business Unit (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Aerospace and Defense	25.3%	27.1%	32.2%
Transportation	13.8%	14.3%	11.1%
Energy and Utilities	12.9%	11.5%	14.5%
Semiconductor, IoT and Analytics	5.3%	5.3%	4.9%
Medical, Technology and Healthcare	2.9%	3.1%	2.4%
Communications	29.5%	28.4%	24.4%
Portfolio	10.3%	10.4%	10.5%

Onsite/offshore Split (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Onsite	53.1%	53.2%	54.8%
Offshore	46.9%	46.8%	45.2%

^There was an error in the Q2 FY21 onshore/offshore mix in the Q2 FY21 presentation which has been corrected now

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

Currency Mix (%)

	Q3 FY21	Q2 FY21	Q3 FY20
USD	52.3%	53.3%	55.0%
EURO	14.4%	10.0%	14.0%
GBP	9.7%	9.8%	10.0%
AUD	12.0%	12.6%	9.0%
Others	11.6%	14.4%	12.0%

Account Receivables (in Days)

	Q3 FY21	Q2 FY21	Q3 FY20
DSO Total	93	96	94
- Billed	68	65	55
- Unbilled	25	31	39

Utilization (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Utilization	80.9%	78.8%	79.3%

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

Top Clients: Revenue Contribution (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Top 5	35.3%	34.8%	36.6%
Top 10	47.0%	45.4%	49.3%

No. of Million \$ Clients

	Q3 FY21	Q2 FY21	Q3 FY20
20 Mn+	3	3	4
10 Mn+	7	7	11
5 Mn+	25	27	23
1 Mn+	82	85	77
New Clients Added	13	16	13

Employee

	Q3 FY21	Q2 FY21	Q3 FY20
Total Headcount	11,559	11,639	13,854
Technical & Pool	10,669	10,760	12,847
Non-Technical	327	298	364
Support	563	581	643

Cyient Metrics (Design Led Manufacturing)

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

Income Statement - Abridged (In ₹ Mn)[^]

	Q3 FY21	Q2 FY21	Q3 FY20
Net Revenue	1,921	1,546	1,076
Direct Salaries & other costs	270	262	233
Material Cost	1,319	1,076	661
Gross Profit	333	209	182
SG&A	64	76	147
Depreciation & amortisation	65	60	34
EBIT	204	72	2
Others	-33	-76	-24
Profit Before Tax	170	-4	-23

[^] Includes B&F Design and NewTech

By Geography (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Americas	30.8%	31.2%	49.9%
Europe, Middle East, Africa	12.5%	30.1%	20.9%
Asia Pacific (including India)	56.7%	38.7%	29.2%

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

By Business Unit (%)

	Q3 FY21	Q2 FY21	Q3 FY20
Aerospace and Defense	65.1%	56.4%	59.6%
Transportation	1.6%	0.4%	0.0%
Energy & Utilities	7.5%	6.5%	14.8%
Medical	25.6%	36.5%	24.4%
Communications	0.2%	0.3%	1.2%
Portfolio	0.0%	0.0%	0.0%

Currency Mix (%)[^]

	Q3 FY21	Q2 FY21	Q3 FY20
USD	73.0%	68.0%	79.0%
EURO	23.5%	4.6%	4.0%
AUD	1.8%	0.0%	0.0%
Others	1.4%	27.4%	16.9%

[^] Includes B&F Design and NewTech

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

No. of Million \$ Clients[^]

	Q3 FY21	Q2 FY21	Q3 FY20
5 Mn+	7	5	5
2 Mn+	12	11	10
1 Mn+	12	11	16
New Clients Added	0	0	0

[^] Includes B&F Design and NewTech

Key Operational Metrics[^]

	Q3 FY21	Q2 FY21	Q3 FY20
Headcount	628	628	618
DSO (in Days)	68	60	94
DPO (in Days)	83	84	110
Customer Advance (in Days)	38	64	103
Inventory (in Days)	95	102	155
Total Cash (₹ Million)	562	611	541

[^] Includes B&F Design and NewTech

Investment Pipeline & Focus Areas: Q3 FY21



*Pre LOI and LOI reflect a balance position

^Acquired IG Partners post approval of Foreign Investment Review Board of Australia

Active Investment Pursuits – Specific focus areas*

A&D	Comms	Health care	Digital/Industry 4.0
<ul style="list-style-type: none"> Aviation solutions in Intelligence, Surveillance & Reconnaissance (ISR) and Power systems in Avionics Digital after market/MRO and Industry 4.0 solutions in Defence 	<ul style="list-style-type: none"> Planning and design engineering services for Wireline & Wireless providers Network Analytics Managed SD-WAN services with single/multi homing setups for Enterprises. 	<ul style="list-style-type: none"> Hardware, software and system integration for product development for firms in medical engineering services DLM, Embedded HW & SW, Product Dev, V&V Process automation, RPA 	<ul style="list-style-type: none"> Build capabilities in Connected Manufacturing, Connected Supply Chain and ERP-MES-PLM integration ETL; data extraction and manipulation capabilities to drive digital transformation
Embedded systems	Power Electronics	Automotive	Other capabilities
<ul style="list-style-type: none"> Embedded system engineering capabilities in Aerospace, Defence, Medical, Automotive, Rail transportation and communications domain 	<ul style="list-style-type: none"> Hardware and Software engineering solutions in Power conversion, Inversion and distributions systems 	<ul style="list-style-type: none"> Embedded HW-SW, IT, IoT, AR VR and Analytics capabilities Infotainment , ADAS, ECU's, Power electronics, Powertrain and Connected cars /platforms 	<ul style="list-style-type: none"> Integrated plant engineering services in clean tech space; layout, piping, electrical and structural designing of plants Location based services

* Broad inorganic strategy focused on consolidation as an Engineering Player, Strengthen core and Gain scale while bringing focus on Software and Digital services/solutions including Industry 4.0 and high growth segments

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 Private Limited, Cyient Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; AnSem B.V.; and Cyient AB.

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.



THANK YOU