

14 October 2021

The BSE Limited
PJ Towers
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

Please find enclosed investor Presentation issued by the company on the financial results for the quarter and half year ended 30 September 2021.

This is for your information and records

Thanking you
For Cyient Limited



Ravi Kumar Nukala
Dy. Company Secretary.



**INVESTOR
PRESENTATION**

Q2 FY22



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



KRISHNA BODANAPU
Managing Director & CEO



AJAY AGGARWAL
Executive Director & CFO



KARTHIK NATARAJAN
Executive Director & COO



Highlights

- Financial Highlights
- Business Highlights



Financial Update

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



Business Update

- BU performance update

Annexures



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● Highlights for the Quarter

Revenue

10.8% YoY / 5.1% QoQ (₹ terms)

11.2% YoY / 4.6% QoQ (\$ terms)

Quarterly revenue at **\$150.1Mn/₹11,116Mn**

EBIT Margin @14.0%

Services EBIT margin at **15.5%**

DLM EBIT margin at **6.8%**

PAT Margin @ 10.9%

PAT for the quarter at **₹1,213 Mn**

Financial Highlights for Quarter

- Group revenue at **\$150.1 Mn**; growth of **11.2%** YoY and **4.6%** QoQ (**5.6%** in CC)
- Services revenue at **\$124.6 Mn**; growth of **9.2%** YoY and **4.5%** QoQ (**5.5%** in CC). Workforce Delta contributed 0.7% to services revenue
- DLM revenue at **\$25.5 Mn**; growth of **22.3%** YoY and **5.4%** QoQ
- EBIT margin at **14.0%** up by **301 bps** YoY and **90 bps** QoQ; **Highest ever in the last seven years**
- Free Cash Flow generation for the quarter at INR **₹2,050 Mn**, a conversion of **97.0%** on EBITDA (conversion of **168.9%** on PAT)
- PAT at **₹1,213 Mn** for the quarter; growth of **44.7%** YoY and **5.5%** QoQ
- Declared an interim dividend of ₹10/share

● Highlights for the Quarter (1/3)

Cyient Strengthens its Digital Solutions Suite, IntelliCyient, through the Acquisition of WorkForce Delta

- WorkForce Delta, is a consulting company with expertise in advising and executing workforce management programs for corporations globally
- The acquisition will strengthen Cyient's digital transformation capabilities & offerings in the Utilities and Telecom industries

Digital Solutions portfolio for the Aerospace industry - PPAP4Aero

- PPAP4Aero is a global AS9145 Supplier PPAP Compliance software and services framework for enabling intelligent supply chain
- The Microsoft Azure ITAR compliant SaaS cloud app and global support services solution aims to reduce costs while ensuring the quality of manufactured parts for aerospace use.

Recognition - Rising Star award

Cyient was recognized as a Rising Star in Connected Mobility Consulting and Services in the ISG Provider Lens™ Internet of Things – Services and Solutions Quadrant Study.

● Highlights for the Quarter (2/3)

Enhancement of Additive Manufacturing Solutions with Implementation of SLM®280 System in Florida

- The SLM®280 selective laser melting system offers 80% higher build rates than competitive offerings
- This is accomplished with high-energy, multi-laser optics, bi-directional powder re-coating, and a 25% larger build platform that ensures consistent and repeatable part quality and best-in-class productivity.

Select Tier Status in the AWS Partner Network

- Recognized by Amazon Web Services (AWS) as a Select-Tier Consulting Partner in the AWS Partner Network (APN)
- Partnership differentiates Cyient as a provider of specialized demonstrated technical proficiency with demonstrated customer success in delivering cloud migration strategy

Cyient Joins TM Forum to collaborate with global Communication Service Providers (CSPs)

- The TM Forum has over 850 member companies, including ten of the top ten world's largest telecommunications service providers,
- Cyient will offer its global domain expertise to the Forum around key themes such as future-fit connectivity, autonomous operations, customer experience, and network transformation.

● Highlights for the Quarter (3/3)

Key appointment – Strengthening the Senior Management Team



Rajaneesh Kini - Senior Vice President and Chief Technology Officer

- Will lead Technology Development at Cyient and will be responsible for shaping the company's technological vision, building competitive, relevant, and market-ready solutions, and seeding new skills within the organization
- Over two decades of experience in Engineering across various industry verticals, including Communications, Health, Industrial, and Tech Platforms



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Revenue for Q2 FY22

| Revenue | Q2 FY22 | QoQ | YoY | Q1 FY22 | Q4 FY21 | Q3 FY21 | Q2 FY21 |
|-----------------|---------|------|-------|---------|---------|---------|---------|
| Group | | | | | | | |
| \$ Mn | 150.1 | 4.6% | 11.2% | 143.5 | 149.9 | 141.4 | 135.0 |
| ₹ Mn | 11,116 | 5.1% | 10.8% | 10,582 | 10,932 | 10,443 | 10,033 |
| Services | | | | | | | |
| \$ Mn | 124.6 | 4.5% | 9.2% | 119.3 | 119.6 | 115.3 | 114.1 |
| ₹ Mn | 9,229 | 4.9% | 8.7% | 8,795 | 8,722 | 8,521 | 8,487 |
| DLM | | | | | | | |
| \$ Mn | 25.5 | 5.4% | 22.3% | 24.2 | 30.3 | 26.0 | 20.9 |
| ₹ Mn | 1,888 | 5.7% | 22.1% | 1,786 | 2,210 | 1,921 | 1,546 |

- Services growth stood at 9.2% YoY
- DLM growth stood at 22.3% YoY
- Group growth stood at 11.2% YoY

| Revenue USD Mn | By Geography (%) | | | \$ Mn | QoQ growth | YoY growth |
|-----------------|------------------|---------|---------|-------|------------|------------|
| | Q2 FY22 | Q1 FY22 | Q2 FY21 | | | |
| Group | | | | | | |
| NAM | 48.8% | 47.9% | 50.1% | 73.3 | 6.6% | 8.5% |
| EMEA | 24.8% | 28.4% | 28.9% | 37.2 | -8.7% | -4.7% |
| APAC incl India | 26.4% | 23.7% | 21.1% | 39.6 | 16.6% | 39.4% |

Income statement for Q2 FY22

| All Figures in ₹ Mn | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|---------------------|---------|---------|---------|
| Revenue | 11,116 | 10,582 | 10,033 |
| EBIT (Reported) | 1,558 | 1,388 | 1,105 |
| PAT (Reported) | 1,213 | 1,150 | 839 |
| EPS (₹ Reported) | 11.1 | 10.5 | 7.6 |

| All Figures in % | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------------|---------|---------|---------|
| Gross Margin | 38.4% | 35.9% | 35.7% |
| EBIT Margin (Reported) | 14.0% | 13.1% | 11.0% |
| ETR | 24.9% | 25.1% | 23.1% |
| PAT Margin (Reported) | 10.9% | 10.9% | 8.4% |

QoQ EBIT Movement

- Consolidated EBIT margin stood at 14.0%; higher by 301 bps YoY and by 90 bps QoQ
- Services EBIT margin is **highest ever in the last seven years** at 15.5%; up by 332bps YoY and by 91 bps QoQ (Please refer slide 13 for QoQ margin bridge)
- DLM margins at 6.8% higher by 216 bps YoY and 88 bps QoQ

Profit After Tax Movement

- PAT increased by 44.7% YoY and 5.5% QoQ primarily from higher EBIT partially offset by lower other income
- ETR is 24.9%, lower by 17 bps from Q1 FY22 ETR of 25.1%

EBIT Margin Bridge for Q2 FY22

| Particulars | |
|--|--------------|
| EBIT Q1 FY22 (Group) | 13.1% |
| Add: DLM impact | 146 bps |
| EBIT Q1 FY22 (Services) | 14.6% |
| Tailwinds in Q2 FY22 | |
| <i>Improvements in operational metrics</i> | 155 bps |
| <i>Change in revenue mix</i> | 110 bps |
| <i>Additional optimisation levers *</i> | 110 bps |
| <i>WFD acquisition</i> | 37 bps |
| Headwinds in Q2 FY22 | |
| <i>Higher SG&A and Investments</i> | -220 bps |
| <i>Impact of merit increase</i> | -100 bps |
| EBIT Q2 FY22 (Services) | 15.5% |
| Less: DLM impact | 147 bps |
| EBIT Q2 FY22 (Group) | 14.0% |

**On account of cease and cure and other direct cost absorption*

Cash Generation for Q2FY22

| All Figures in ₹ Mn | Q2 FY22 | Q1FY22 | Q2 FY21 |
|--|---------------|--------------|---------------|
| Services | | | |
| Profit before tax | 1,502 | 1,466 | 1,103 |
| (+/-) Non-cash & non-operating items | 403 | 288 | 388 |
| Operating profit before WC changes | 1,905 | 1,754 | 1,492 |
| (+/-) DSO Movement (Receivables) | (45) | (95) | 1,223 |
| (+/-) Other WC changes | 297 | (435) | (257) |
| Operating CF after WC changes | 2,157 | 1,224 | 2,458 |
| Less: Taxes | (429) | (179) | (369) |
| Less: Capex | (132) | (181) | (39) |
| FCF Services | 1,596 | 863 | 2,050 |
| DLM | | | |
| Free Cash Flow generated (DLM) - ii | 454 | (16) | (18) |
| Group FCF (i+ii) | 2,050 | 848 | 2,032 |
| FCF to EBITDA Conversion [^] | 97.0% | 43.6% | 131.4% |
| FCF to PAT Conversion | 168.9% | 73.7% | 242.2% |

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

Cash Generation

- Cash and cash equivalents at healthy level of **₹14,033 Mn**
- In Q2, the free cash flow conversion stood at **97.0%** for Services and **84.0%** for group:
 - FCF from services was higher by 84.9% QoQ due to favorable working capital movement and volume growth partly offset by higher taxes
 - DLM has generated a cash of **₹454 Mn** in Q2
- **We are tracking full year cash conversion to 65-70%**



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● BU Performance Q2 FY22

| Business Units \$ Mn | Q2 FY22 | QoQ | YoY |
|-----------------------|--------------|--------------|--------------|
| Transportation | 47.9 | 2.6% | 1.3% |
| Aerospace | 32.2 | 4.0% | 4.0% |
| Rail transportation | 15.7 | 0.0% | -3.6% |
| C&U | 44.0 | 1.6% | 12.5% |
| Communications | 34.1 | -4.1% | 5.2% |
| Utilities | 9.9 | 27.4% | 47.4% |
| Portfolio | 32.8 | 11.7% | 17.7% |
| Services (i) | 124.6 | 4.5% | 9.2% |
| DLM (ii) | 25.5 | 5.4% | 22.3% |
| Group (i+ii) | 150.1 | 4.6% | 11.2% |

Order Intake (\$ Mn)[^]

| Particulars | Q2 FY22 | QoQ | YoY |
|------------------------|--------------|--------------|--------------|
| Cyient Services | 122.6 | 2.2% | 9.2% |
| DLM | 33.4 | 64.2% | 122.7% |
| Group OI Total | 156.0 | 11.2% | 22.5% |

[^]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

- Services growth stood at 4.5% QoQ and 5.5% in cc
 - Aerospace witnessed sequential growth of 4.0%
 - Growth in the Portfolio and Utilities was partially offset by de-growth in communications
 - Offshore mix of 49.7%, highest in the last 10 quarters
 - Utilization for the quarter stood at 85%, up by 186 bps QoQ
- DLM growth stood at 5.4% QoQ
- Group growth stood at 4.6% QoQ and 5.6% in cc

- **Won 6 large deals with total contract potential of ~\$63.5 million (4 from services, 1 from DLM and 1 composite B2S deal)**



BUSINESS PERFORMANCE & OUTLOOK

● Business Performance & Outlook (1/3)

Communications and Utilities

Communications: We continue to see opportunities in communications due to the following factors:

- Increasing investments in broadband networks across the globe, especially in NAM and Europe
- Increasing focus on technology led transformation of network design, deployment & operations
- New major wins in our core segments

Communications BU won a major multi year deal in Q2 from our key client in UK, under which we will enable our clients plan to accelerate broadband deployment in UK. We were also ranked as 'Major Contender' in 5G Engineering Services PEAK Matrix® Assessment 2021 by Everest Group.

Utilities: This vertical closed two major multi-year deals in Q2 FY22, one of which is to enable a key client in UK to deploy a cloud native next generation spatial information system to enhance their user experience. Our key offerings around Data Transformation, System Integration, Digital solutions and Enterprise Private Networks continue to gain traction and the outlook for this segment for H2 FY22 is quite positive

DLM

DLM Revenue witnessed a sequential growth QoQ. A strong order pipeline coupled with an order backlog gives us good visibility for growth in FY22. We continue to see opportunities as more and more businesses move out of China and the focus on "Make in India."

● Business Performance & Outlook (2/3)

Transportation

Aerospace sector is starting to show recovery and rail transportation was flat QoQ. The growth in aerospace is coming in the backdrop of increased business in key accounts and is led by digital and embedded initiatives. The highlights have been wins in the area of aftermarket work and design and manufacture of embedded systems. The rail business hasn't grown to the expectation due to right shift of some rail projects and consolidation across rail OEMs. The rail business is expected to show recovery in coming quarters.

The BU is optimistic on consistent growth in aerospace as the commercial flying starts to look up, which will bring back investment in ER&D. The increased award of rail infrastructure projects will drive growth in engineering segment. Continued focus in the past quarters on digital technology and embedded systems have started to show results. Q2 FY22 saw acquisition of new accounts in embedded space and multiple large deal wins in aftermarket in aero (built on strong digital offering) and design and manufacture of embedded systems.

Portfolio of Services

Medical Technology and Healthcare witnessed positive sequential growth in Q2 FY22. This was mainly driven by the demand for our digital engineering services for Imaging Equipment, IVD and Connected Care products. We successfully secured 2 new strategic clients this quarter that are recognized as Top MedTech and Life Sciences industry leaders. The outlook for this sector for H2 FY22 remains positive as we continue to execute and ramp up on recent contracts while strengthening our pipeline focused on digital transformation, embedded software, and design-led manufacturing services

Semiconductor unit witnessed flat growth QoQ. Whilst customer demand for both engineering services and solutions remains strong, the talent and labor market remains highly competitive and the critical challenge. Despite these challenges the outlook for H2 FY22 remains positive with growth expected in both services and solutions

● Business Performance & Outlook (3/3)

Portfolio of Services

Automotive and Off Highway witnessed growth in this quarter due to proactive corrections. The outlook for this sector for H2 FY22 remains positive as we continue to ramp up on recent contracts while strengthening our pipeline in all geographies. Talent landscape remains challenging and we continue to see positive signs for growth based on drivers like:

- Supplier consolidation and Digitalization trend for the off highway sub-segment
- EV Engineering activities leveraged by Cyient's power electronics capabilities
- Growing demand for niche skills like embedded and quick ramp up expectations

Energy, Industrial and Plant Engineering unit provides end-to-end capabilities across the energy value chain for oil and gas, industrial systems, and plant engineering. This BU witnessed sequential growth driven by traction in key accounts. We expect to see an increase in new opportunities in this vertical in H2 FY22

Mining and Natural Resources witnessed a robust recovery in Q2 FY22. This was driven by a recovery in consulting revenue and new logos. We expect a further improvement in H2 FY22 with a ramp up in key projects. Mining activity remains strong, and we are focusing our efforts on large deal opportunities from major mining companies.

Geospatial witnessed sequential growth in this quarter driven by key wins. Our geospatial strategy continues to move into execution with onboarding talent in key markets, internal retooling and revamping of our enterprise offerings. Our H2 FY22 H2 outlook is positive as the world emerges from Covid with expected growth across the industry and our emphasis on Mining, Comms and Utilities as key vertical markets. Expansion of GeoAI capability and offerings to accelerate mapping operations along with application of RPA to drive efficiencies will help drive vertical service line growth.

● Outlook for FY22



Revenue

- We continue to expect to grow double digit in FY22 with growth continuing in Q3 FY22
- DLM growth will be in the range of 15 to 20%



EBIT Margin

- We expect the full year margins to improve by 250 to 300 bps as compared to a 200 bps improvement envisaged at the start of the year



Others

- Other income for the year is in line with the previous year
- We maintain that our FY22 ETR will be around 25-26%

● 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 Private Limited, Cyient Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; AnSem B.V.; Cyient AB; Integrated Global Partners Pty Limited; Integrated Global Partners Pte. Limited; Integrated Global Partners SpA; IG Partners South Africa (Pty) Ltd and Workforce Delta PTY. LTD.

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.



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The background of the slide is a dark, blurred image 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 screen. 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 chart and the hand being the primary light sources.

INVESTOR PRESENTATION

Annexure

Q2 FY22



● Message from the Management



**KRISHNA
BODANAPU**

Managing Director
& CEO

Commenting on the results, Mr. Krishna Bodanapu, Managing Director and Chief Executive Officer, said “Our Q2 performance has been encouraging and in line with our expectations. We recorded a revenue of \$150.1 Mn a growth of 11.2 % YoY and 4.6% QoQ. Our services business witnessed a growth of 9.2% YoY and 4.5% QoQ driven by growth across key sectors such as Medical Technology and Healthcare (MTH), Mining and Natural Resources and Energy, Industrial and Plant Engineering. Our EBIT margin for the quarter was at 14% driven by improved utilization and offshoring. We also recorded the highest net profit in 10 quarters of INR 1,213 Mn a growth of 44.7% YoY and 5.5% QoQ.

The organizational structure we realigned ourselves is working out well. We see increased traction across key growth verticals and are making significant investments to drive growth for the business. Our order intake grew by 23% YoY with a significantly strong large deals pipeline to support growth.

Cyient was recognized as a Rising Star in Connected Mobility Consulting and Services in the ISG Provider Lens™ Internet of Things – Services and Solutions Quadrant Study. We were also recognized by Amazon Web Services as a Select-Tier Consulting Partner in the AWS Partner Network (APN). We enhanced our additive manufacturing capabilities with our first metal additive manufacturing facility in Jupiter, Florida, following international support from SLM Solutions. We also strengthened our IntelliCyient Suite of Digital solutions with the acquisition of WorkForce Delta. We also expanded our digital solution portfolio for the aerospace industry with global AS9145 Supplier PPAP4Aero platform offerings. We joined forces with leading industry forums like TM Forum to accelerate the technology-led transformation of networks.

Our outlook for the year remains positive driven by growth and improvement in margins. We continue to hold our outlook for FY22.”

● Message from the Management



**AJAY
AGGARWAL**

Executive Director
& CFO

Commenting on the results, Mr. Ajay Aggarwal, President & CFO, said, I am pleased to share that our sustained focus on margin expansion through improvement in efficiencies and operating budget levers yielded results with EBIT margin for the quarter at 14.0% (growth of 301 bps YoY and 90 bps QoQ) that was the highest ever in the last seven years. Our PAT stood at ₹1,213 Mn (growth of 44.7% YoY and 5.5% QoQ). Our rigorous initiatives on collections, working capital cycles and receivables led to a robust FCF generation of at INR ₹2,050 Mn, a conversion of 97.0% on EBITDA. We have a healthy cash balance of ₹14,033 Mn. We also declared an interim dividend of ₹10 per share.

We continue to focus on strategic acquisitions to augment our growth trajectory. With a strong foundation on sustainable initiatives, we are confident of an accelerated growth in the next half year. We remain strongly focused on growth, margin and cash generation and thus delivering on our commitment to the shareholders.”

Consolidated Financial Metrics

| ₹ Mn | Q2 FY22 | Q1 FY22 | Q2 FY21 | Growth % | |
|----------------------|---------|---------|---------|----------|---------|
| | | | | QoQ | YoY |
| Revenue | 11,116 | 10,582 | 10,033 | 5.1% | 10.8% |
| Reported EBIT | 1,558 | 1,388 | 1,105 | 12.2% | 41.1% |
| Reported EBIT margin | 14.0% | 13.1% | 11.0% | 90 bps | 301 bps |
| Reported PAT | 1,213 | 1,150 | 839 | 5.5% | 44.7% |

Foreign Exchange Rate

| \$/₹ | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-----------------|---------|---------|---------|
| Quarter Average | 74.05 | 73.74 | 74.32 |
| Quarter Closing | 74.35 | 74.28 | 73.78 |

Consolidated Revenue Segmentation

By Geography (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-------------------------------|---------|---------|---------|
| Americas | 48.8% | 47.9% | 50.1% |
| Europe, Middle East, Africa | 24.8% | 28.4% | 28.9% |
| Asia Pacific (includes India) | 26.4% | 23.7% | 21.1% |

By Business Unit (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-----------------------------|---------|---------|---------|
| Transportation total | 43.0% | 43.6% | 43.8% |
| Aerospace | 32.1% | 32.1% | 31.6% |
| Rail transportation | 10.9% | 11.5% | 12.1% |
| C&U total | 29.3% | 30.2% | 30.0% |
| Communications | 22.7% | 24.8% | 24.0% |
| Utilities | 6.6% | 5.4% | 6.0% |
| Portfolio total | 27.7% | 26.2% | 26.2% |

Consolidated Operations Metrics

Account Receivables (in Days)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------|-----------|-----------|-----------|
| DSO Total | 81 | 90 | 90 |
| - Billed | 60 | 67 | 64 |
| - Unbilled | 21 | 23 | 26 |

Order Intake (\$ Mn)^

| Particulars | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------------|---------|---------|---------|
| Cyient Services | 123 | 120 | 112 |
| DLM | 33 | 20 | 15 |
| Group OI Total | 156 | 140 | 127 |

*^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 (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------|---------|---------|---------|
| Top 5 | 31.7% | 31.9% | 29.5% |
| Top 10 | 43.2% | 43.3% | 38.4% |

No. of Million \$ Clients

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------------------------|-----------|-----------|-----------|
| 20 Mn+ | 3 | 3 | 3 |
| 10 Mn+ | 10 | 10 | 7 |
| 5 Mn+ | 32 | 30 | 32 |
| 1 Mn+ | 92 | 89 | 96 |
| New Clients Added | 18 | 10 | 16 |

Consolidated Employee Metrics

Employee

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|---------------------|---------|---------|---------|
| Total Headcount | 12,707 | 12,433 | 12,267 |
| Technical & Pool | 11,763 | 11,495 | 11,335 |
| Non-Technical | 330 | 350 | 310 |
| Support | 614 | 588 | 622 |
| Voluntary Attrition | 24.3% | 23.5% | 9.2% |

Consolidated Other Financial Metrics

Cash Position (₹ Mn)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------------|---------|---------|---------|
| Cash & Cash Equivalent | 14,033 | 15,262 | 13,509 |
| Cash & Bank balances | 5,846 | 6,726 | 4,680 |
| Investments in FDs | 8,187 | 8,536 | 8,829 |

Capex (₹ Mn)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|---------------------|---------|---------|---------|
| Capital Expenditure | 141 | 214 | 120 |

Consolidated Income Statement

| Income Statement ₹ Mn | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------------------------|---------------|---------------|---------------|
| Operating Revenue | 11,116 | 10,582 | 10,033 |
| Cost of Revenue | 6,844 | 6,783 | 6,449 |
| Direct Salary and related costs | 4,284 | 4,264 | 4,075 |
| Direct Travel | 85 | 79 | 97 |
| Delivery Management | 221 | 222 | 249 |
| Material cost | 1,332 | 1,234 | 1,074 |
| Other costs incl Subcontract costs | 921 | 983 | 954 |
| Gross profit | 4,273 | 3,799 | 3,584 |
| Sales and Marketing | 420 | 424 | 365 |
| General and Administration | 1,778 | 1,497 | 1,630 |
| Depreciation and Amortization | 517 | 490 | 484 |
| EBIT | 1,558 | 1,388 | 1,105 |
| Financial expenses | 91 | 110 | 107 |
| Other income | 149 | 257 | 93 |
| Profit before tax (PBT) | 1,616 | 1,535 | 1,091 |
| Tax | 403 | 385 | 252 |
| Associate & Minority Profit | 0.0 | 0.3 | 0.1 |
| Profit After Tax (Reported) | 1,213 | 1,150 | 839 |
| Basic EPS (₹) (Reported) | 11.1 | 10.5 | 7.6 |



Consolidated Balance Sheet

| Balance Sheet ₹ Mn | Q2 FY22 | Q1 FY22 | Q2FY21 |
|--|---------------|---------------|---------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| - Share capital | 551 | 548 | 550 |
| - Reserves and surplus | 28,698 | 27,930 | 26,841 |
| Total - Shareholders' funds | 29,249 | 28,478 | 27,391 |
| Non-current liabilities | | | |
| - Long-term borrowings and liabilities | 2,434 | 2,469 | 2,891 |
| - Long-term provisions | 1,355 | 1,326 | 1,222 |
| - Deferred tax liabilities (net) | 271 | 253 | 269 |
| Total - Non-current liabilities | 4,060 | 4,048 | 4,382 |
| Current liabilities | | | |
| - Short-term borrowings | 2,933 | 2,813 | 3,407 |
| - Trade payables | 5,045 | 4,404 | 3,722 |
| - Other current liabilities | 2,991 | 5,166 | 3,620 |
| - Short-term provisions | 864 | 845 | 751 |
| Total - Current liabilities | 11,833 | 13,228 | 11,500 |
| TOTAL - EQUITY AND LIABILITIES | 45,142 | 45,754 | 43,273 |
| ASSETS | | | |
| Non-current assets | | | |
| - Property, plant and equipment | 8,274 | 8,324 | 8,795 |
| - Goodwill | 6,112 | 5,923 | 5,384 |
| - Non-current investments | 718 | 348 | 426 |
| - Deferred tax assets (net) | 300 | 347 | 337 |
| - Other non-current assets | 1,189 | 1,200 | 1,740 |
| Total - Non-current assets | 16,593 | 16,142 | 16,682 |
| Current assets | | | |
| - Inventories | 1,913 | 1,724 | 1,657 |
| - Current investments | - | - | 0 |
| - Trade receivables | 7,335 | 7,498 | 6,938 |
| - Cash and cash equivalents | 14,033 | 15,262 | 13,509 |
| - Other current assets | 5,268 | 5,128 | 4,487 |
| Total - Current assets | 28,549 | 29,612 | 26,591 |
| TOTAL ASSETS | 45,142 | 45,754 | 43,273 |

Consolidated Cash Flow Movement

| ₹ Mn | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--|----------------|---------------|---------------|
| Free cash flow from operations | 2,050 | 848 | 2,032 |
| Investment in non current investments | (374) | 0 | (15) |
| Settlement of deferred consideration pertaining to prior year acquisitions | (180) | (45) | 0 |
| Interest received | 212 | 97 | 132 |
| Finance costs paid | (34) | (41) | (47) |
| Proceeds/(Repayment) of borrowings, net | (380) | 383 | 612 |
| Repayment of lease liabilities | (195) | (238) | (265) |
| Proceeds from issue of equity shares | 22 | 36 | 0 |
| Dividend paid | (1,862) | (1) | 1 |
| Purchase of equity shares by ASOP trust | (488) | (462) | 0 |
| Others | (1) | 36 | (39) |
| Net change in cash | (1,230) | 613 | 2,411 |
| Opening cash position | 15,263 | 14,650 | 11,098 |
| Closing cash position | 14,033 | 15,263 | 13,509 |

Other Income

| All Figures in ₹ Mn | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|---|-------------|------------|-------------|
| Income from Treasury | | | |
| Interest on Invesmtents/Deposits | 110 | 133 | 115 |
| Subtotal (A) | 110 | 133 | 115 |
| Realised gains/(losses) on Fwd Contracts (B) | 89 | 42 | (66) |
| Unrealised Fx gains/(losses) (C) | (59) | 24 | (26) |
| Others | | | |
| Reversal of Old provisions | 0 | 0 | 7 |
| Rents received | 2 | 2 | 5 |
| Tax incentives on export of merchandise | 0 | 0 | 0 |
| Others | 7 | 56 | 59 |
| Others (D) | 9 | 58 | 71 |
| Grand total (A+B+C+D) | 149 | 257 | 93 |

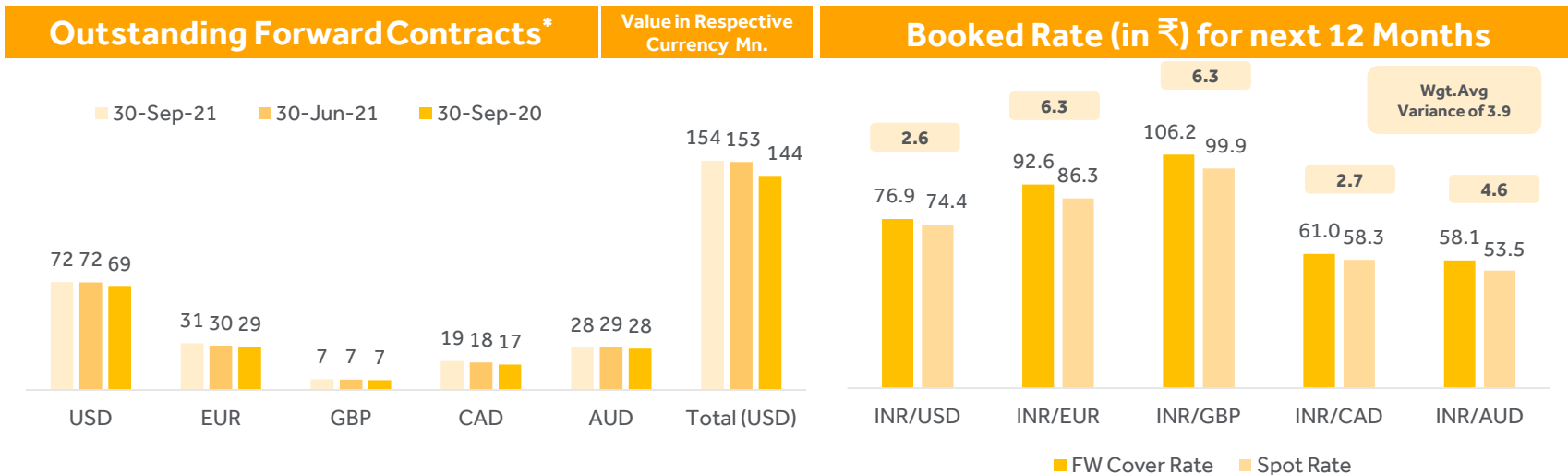
| Currency Movement | Q2 FY22 | | Q1 FY22 | | Q2 FY21 | |
|-------------------|---------|-------|---------|-------|---------|------|
| | Forward | Spot | Forward | Spot | Forward | Spot |
| USD | 76.9 | 74.0 | 78.5 | 73.8 | 73.3 | 74.1 |
| EUR | 91.6 | 87.0 | 89.6 | 88.9 | 83.1 | 87.2 |
| GBP | 100.4 | 101.4 | 98.7 | 103.5 | 91.3 | 96.6 |
| AUD | 55.8 | 54.1 | 53.6 | 56.8 | 51.0 | 53.3 |
| CAD | 58.2 | 58.8 | 57.6 | 60.2 | 55.9 | 56.0 |

Forward and spot rates represent average of monthly rates

For the quarter

- Other income is lower by ₹23 Mn (down by 17.2% QoQ) mainly on account of lower invested cash due to dividend pay out in Q1
- Forward contract gain is ₹89 Mn, favorable QoQ movement of INR 47 Mn mainly from USD & EUR contracts
- Unrealized Fx Gain loss in Q2 is mainly from restatement impact in India

Hedge Book



- 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 30th Sep'21 ~ **\$ 154 Mn**
 - If the spot rate remains at same level (as at 30th Sep'21), forex gain on current forward contracts could be **~\$8.2 Mn**



Cyient Metrics
(Excluding
Design Led
Manufacturing)

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

By Geography (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------------------------------|---------|---------|---------|
| Americas | 52.8% | 52.0% | 53.4% |
| Europe, Middle East, Africa | 27.5% | 27.6% | 28.7% |
| Asia Pacific (including India) | 19.7% | 20.5% | 17.8% |

By Business Unit (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-----------------------------|---------|---------|---------|
| Transportation total | 38.4% | 39.1% | 41.4% |
| Aerospace | 25.8% | 25.9% | 27.1% |
| Rail transportation | 12.6% | 13.2% | 14.3% |
| C&U total | 35.3% | 36.3% | 34.3% |
| Communications | 27.3% | 29.8% | 28.4% |
| Utilities | 8.0% | 6.5% | 5.9% |
| Portfolio total | 26.3% | 24.6% | 24.4% |

Onsite/offshore Split (%)^

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|----------|---------|---------|---------|
| Onsite | 50.3% | 52.7% | 53.2% |
| Offshore | 49.7% | 47.3% | 46.8% |

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

Currency Mix (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------|---------|---------|---------|
| USD | 50.8% | 50.1% | 53.3% |
| EURO | 13.1% | 13.5% | 10.0% |
| GBP | 9.4% | 9.2% | 9.8% |
| AUD | 13.4% | 14.6% | 12.6% |
| Others | 13.4% | 12.7% | 14.4% |

Utilization (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-------------|---------|---------|---------|
| Utilization | 85.0% | 83.1% | 78.8% |

Account Receivables (in Days)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------|-----------|-----------|-----------|
| DSO Total | 80 | 83 | 96 |
| - Billed | 54 | 55 | 65 |
| - Unbilled | 26 | 28 | 31 |

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

Top Clients: Revenue Contribution (%)


| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------|---------|---------|---------|
| Top 5 | 33.0% | 36.9% | 34.8% |
| Top 10 | 45.6% | 49.2% | 45.4% |

No. of Million \$ Clients

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------------------------|---------|---------|---------|
| 20 Mn+ | 3 | 3 | 3 |
| 10 Mn+ | 10 | 10 | 7 |
| 5 Mn+ | 24 | 23 | 27 |
| 1 Mn+ | 76 | 74 | 85 |
| New Clients Added | 17 | 10 | 16 |

Employee

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|------------------|---------|---------|---------|
| Total Headcount | 12,035 | 11,826 | 11,639 |
| Technical & Pool | 11,149 | 10,938 | 10,760 |
| Non-Technical | 312 | 341 | 298 |
| Support | 574 | 547 | 581 |



Cyient Metrics (Design Led Manufacturing)

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

Income Statement - Abridged (In ₹ Mn)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-------------------------------|------------|------------|------------|
| Net Revenue | 1,888 | 1,786 | 1,546 |
| Direct Salaries & other costs | 278 | 285 | 262 |
| Material Cost | 1,330 | 1,234 | 1,076 |
| Gross Profit | 280 | 267 | 209 |
| SG&A | 85 | 95 | 76 |
| Depreciation & amortisation | 67 | 66 | 60 |
| EBIT | 129 | 106 | 72 |
| Others | 11 | -17 | -76 |
| Profit Before Tax | 139 | 89 | (4) |

By Geography (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------------------------------|---------|---------|---------|
| Americas | 29.5% | 28.1% | 31.6% |
| Europe, Middle East, Africa | 11.5% | 32.4% | 29.8% |
| Asia Pacific (including India) | 59.0% | 39.5% | 38.6% |

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

By Business Unit (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|-----------------------------|---------|---------|---------|
| Transportation total | 65.3% | 65.6% | 56.8% |
| Aerospace | 63.0% | 62.4% | 56.4% |
| Rail transportation | 2.3% | 3.2% | 0.4% |
| C&U total | 0.2% | 0.4% | 6.8% |
| Communications | 0.2% | 0.4% | 0.3% |
| Utilities | 0.0% | 0.0% | 6.5% |
| Portfolio total | 34.5% | 34.1% | 36.5% |

Currency Mix (%)

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------|---------|---------|---------|
| USD | 40.0% | 62.3% | 68.0% |
| EURO | 2.0% | 3.4% | 4.6% |
| AUD | 0.0% | 0.0% | 0.0% |
| Others | 58.0% | 34.2% | 27.4% |

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

No. of Million \$ Clients

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|--------------------------|---------|---------|---------|
| 5 Mn+ | 8 | 7 | 5 |
| 2 Mn+ | 12 | 11 | 11 |
| 1 Mn+ | 16 | 15 | 11 |
| New Clients Added | 1 | 0 | 0 |

Key Operational Metrics

| | Q2 FY22 | Q1 FY22 | Q2 FY21 |
|----------------------------|---------|---------|---------|
| Headcount | 672 | 607 | 628 |
| DSO (in Days) | 91 | 112 | 60 |
| DPO (in Days) | 111 | 91 | 81 |
| Customer Advance (in Days) | 55 | 53 | 64 |
| Inventory (in Days) | 108 | 107 | 102 |
| Total Cash (₹ Million) | 719 | 310 | 611 |

● 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 Private Limited, Cyient Canada Inc.; Cyient Defense Services Inc; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; AnSem B.V.; Cyient AB; Integrated Global Partners Pty Limited; Integrated Global Partners Pte. Limited; Integrated Global Partners SpA; IG Partners South Africa (Pty) Ltd and Workforce Delta PTY. LTD.

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.



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