

16 January 2020

The BSE Limited  
PJ Towers, 25<sup>th</sup> 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

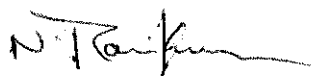
Dear Sir,

Sub: Investor update – Reg.

Please find enclosed investor update issued by the company on the financial results for the quarter ended 31 December 2019

This is for your information and records.

Thanking you  
For Cyient Limited



Ravi Kumar Nukala  
Dy. Company Secretary

Cyient Ltd.

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Formerly Infotech Enterprises Limited



CYIENT

# INVESTOR PRESENTATION

Q3 FY20

# Confidentiality Statement

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| Highlights  | Financial Update   | Business Update  |
|---|--|--|
| <ul style="list-style-type: none"> <li>• Financial Highlights</li> <li>• Business Highlights</li> <li>• Awards and Recognition</li> <li>• CSR Activities</li> </ul> | <ul style="list-style-type: none"> <li>• Revenue</li> <li>• Cost optimization</li> <li>• Hedge and other income</li> <li>• Income statement update</li> <li>• Cash generation</li> </ul> | <ul style="list-style-type: none"> <li>• M&amp;A update</li> <li>• Industry outlook</li> <li>• Company update</li> </ul> |
| <p><i>Annexures</i></p>   |  |  |

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| <p><i>Annexures</i></p>   |  |  |

# Highlights for the Quarter (1/2)

## Revenue

**-4.6% QoQ (₹ terms)**

**-5.5% QoQ (\$ terms)**

Quarterly revenue at  
**\$155.2Mn/₹11,060Mn**

## EBIT Margin @ 9.6%

**Services EBIT margin at 10.6%**

**DLM EBIT margin @ 0.2%**

## PAT growth @ 10% QoQ

**PAT for the quarter ₹1,083Mn**

## Financial Highlights for Quarter

- Consolidated revenue at \$155.2Mn; de-growth of 5.5% QoQ and de-growth of 6% YoY
- Services revenue at \$140.1Mn; de-growth of 0.2% QoQ (0.5% in CC) and de-growth of 3.1% YoY
- DLM revenue at \$15.1Mn; de-growth of 36.5% QoQ, 26.7% YoY
- Cash flow to EBITDA conversion at 96%
- Normalised EBIT\* excluding one-offs and long term investments at ₹1,361 Mn
  - EBIT margin excluding one-offs and long term investments at 12.3%; flat QoQ
  - EBIT margin for services excluding one-offs and long term investments at 13.6%, lower by 72 bps QoQ
- Profit After Tax at ₹1,083Mn for the quarter; growth of 10% QoQ and growth of 17.6% YoY

*\*For details refer slide number 13*

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## • Highlights for the Quarter (2/3)

Added a marquee North American Electricity distributor for systems integration

Won one of the largest GIS Data Quality Programs awarded by the US Utilities Industry

Signed an agreement for the status of preferred partner for a key client in transportation

Set up a new development center in Warangal

*As an organization digital is central to our strategy and we are focused on developing our capability under digital as part of our solutions development under NBA setup. We have invested in building capabilities leveraging key technologies like IoT, AR/VR, Analytics to name a few. We are witnessing increased interest and traction from our clients and are confident of building a strong revenue momentum from digital in the coming few years.*

## Business Highlights for the Quarter

- Actively involved in accelerating the deployment of 5G network for a key client in Australia
- Signed an agreement with key client in transportation which extends the commercial framework till 2023, reconfirms Cyient's position as a preferred partner for a major program planned in 2020
- Partnered with Clear Horizon to capture and maintain quality mobile network asset data for utilities
- AnSem joins Arm – Approved Design Partner program. Reinforces AnSem's expertise in delivering Arm-based Custom Turnkey ASIC solutions and services which will ensure faster time to market for customers
- Set up a new development center in Warangal to support telecom customers globally with plan & design and engineering services for their mobile and fixed-line networks

## • Highlights for the Quarter (3/3)

### Awards and Recognition

- Cyient Foundation received a 'Platinum Award' under Apex India CSR Excellence Award 2019 in the Engineering and IT Services Sector
- Cyient won the coveted 'Exemplar of Inclusion' award as part of the Most Inclusive Companies Index 2019 in India
- Cyient recognized as one of the Best Companies for Women in India by Working Mother Media and AVTAR Group
- Cyient highly commended at the European Diversity Awards 2019

### CSR Activities

- Continue to support 25 Government Schools – providing education to 18,500+ underprivileged children
- Continue to support more than 70 Cyient Digital Centres (CDCs) in and around Hyderabad which cater to more than 25,000 children and 15,000 community members
- Completed training to the third pilot batch of 300 community unemployed women on tailoring, bakery and beauty courses through the Cyient Urban Micro Skill Center (CUMSC) for urban poor
- Cyient trained and certified 403 unemployed people under the Cyient IT/ITES Skill Centre and successfully completed 11 batches



## Highlights

- Financial Highlights
- Business Highlights
- CSR Activities

## Financial Update

- Revenue
- Cost optimization
- Hedge and other income
- Income statement update
- Cash generation

## Business Update

- M&A update
- Industry Outlook

*Annexures*

# Revenue for Q3 FY20

| Revenue | Q3 FY19 | Q4 FY19 | Q1 FY20 | Q2 FY20 | Q3 FY20 | QoQ   | YoY   |
|---------|---------|---------|---------|---------|---------|-------|-------|
| \$ Mn   | 165.1   | 165.2   | 156.6   | 164.2   | 155.2   | -5.5% | -6.0% |
| ₹ Mn    | 11,876  | 11,629  | 10,890  | 11,589  | 11,060  | -4.6% | -6.9% |

| Business Units | Services     |              |              | Group        |              |              | Geography             |                   |
|----------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------------------|-------------------|
|                | \$ Mn        | QoQ          | YoY          | \$ Mn        | QoQ          | YoY          |                       |                   |
|                |              |              |              |              |              |              | NAM                   | \$88.1 Mn         |
| A&D            | 45.1         | -5.2%        | -9.1%        | 53.9         | -17.6%       | -15.4%       |                       | -2.9% QoQ         |
| Comms          | 34.1         | 12.2%        | 1.0%         | 34.4         | 12.1%        | 0.4%         |                       | -1.3% YoY         |
| E&U            | 20.3         | 9.4%         | 11.8%        | 22.6         | 7.0%         | 6.4%         | EMEA                  | \$38.9 Mn         |
| Transportation | 15.6         | -14.7%       | -10.2%       | 15.7         | -13.9%       | -9.5%        |                       | -10.4% QoQ        |
| Portfolio      | 14.7         | -4.1%        | -8.2%        | 14.7         | -4.4%        | -8.7%        |                       | 6.7% YoY          |
| SIA            | 6.9          | 0.2%         | 2.3%         | 6.9          | 0.2%         | 2.3%         | APAC<br>(incl. India) | \$28.1 Mn         |
| MT&H           | 3.4          | 0.1%         | 18.5%        | 7.1          | 7.1%         | 23.2%        |                       | -6.1% QoQ         |
| <b>Total</b>   | <b>140.1</b> | <b>-0.2%</b> | <b>-3.1%</b> | <b>155.2</b> | <b>-5.5%</b> | <b>-6.0%</b> |                       | <b>-28.4% YoY</b> |
| CC Growth      |              | -0.5%        |              |              | -5.7%        |              |                       |                   |

- Services de-growth of 0.2% QoQ, 0.5% in constant currency
- Standalone DLM de-growth is 42.1% QoQ, 34% YoY
- Overall DLM is lower by 36.5% QoQ (\$8.7 Mn) primarily due to decrease in Standalone DLM revenue of \$8.9 Mn

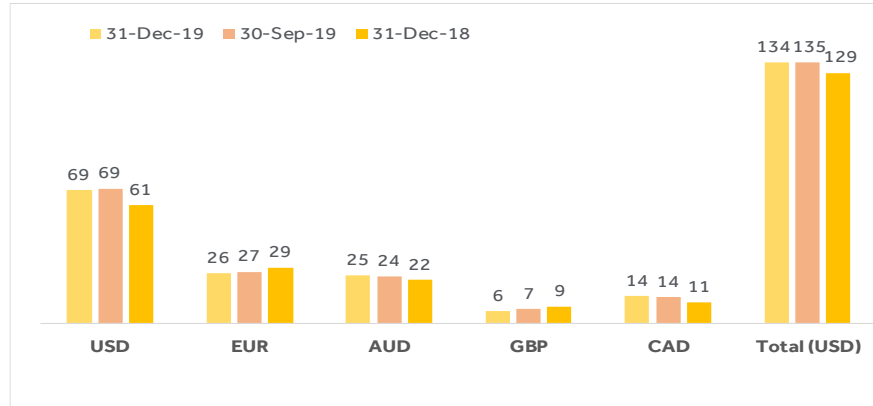
## • Cost Optimization Exercise

- **Theme:** To achieve sustainable margins for Cyient's Services Business through improvements in cost of delivery and sustained improvement in SG&A costs in line with best-in-class and other initiatives to improve profitability.
- **Status update:** Primary wave actions nearing completion, YTD achievement of ~91% of the overall target of savings set under the program. We have identified additional actions to be undertaken across different levers which are expected to be closed by March 31st, 2020.
- **Next steps/milestones:** Sustainability actions being driven on ground to transition over the savings levers, processes, calculations, trackers, data sources to the respective Functional and BU owners who will continue to drive efficiency in FY21. Begin the reverse shadow phase, where the cost optimization team provides support and respective business units drive actions as readiness for FY21. Transition to be completed by March 31<sup>st</sup>, 2020.
- **Impact:** Q3 YoY margin improvement of ~400 bps, excluding one off costs, net margin improvement of 200-250 bps. The margin improvement offset by headwinds of wage hike, lower volume and higher NBA investment.

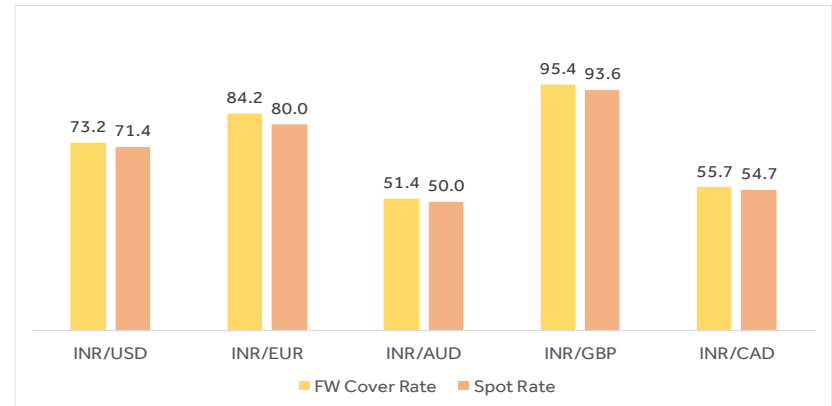
# Hedge Book for Q3 FY20

## Outstanding Forward Contracts\*

Value in Respective Currency Mn.



## Booked Rate (in ₹) for next 12 Months



- Despite the volatility in major currencies, the company continues to adhere to a consistent Fx policy of hedging ~70% for next 12 months for major currencies (USD, GBP, EUR, CAD and AUD)
- On the current forward contracts, the company has following position for the next 12 months at current spot rates:
  - Outstanding Forward Contract as on 31<sup>st</sup> Dec'19 in ~ **\$ 134 Mn**
  - If the spot rate remains at same level (as at 31<sup>st</sup> Dec'19), forex gain on current forward contracts could be ~**\$ 4.1 Mn**

\*Outstanding forward contracts excludes Cyient DLM

# Other Income for Q3 FY20

| All Figures in ₹ Mn                                 | Q3 FY20    | Q2 FY20     | Q3 FY19      |
|---|------------|-------------|--------------|
| <b>Income from Treasury</b>                         |            |             |              |
| Interest on Investments/Deposits                    | 88         | 96          | 120          |
| Dividend on Mutual Funds                            | 8          | 5           | 17           |
| <b>Subtotal (A)</b>                                 | <b>96</b>  | <b>101</b>  | <b>137</b>   |
| <b>Realised gains/(losses) on Fwd Contracts (B)</b> | <b>151</b> | <b>174</b>  | <b>(66)</b>  |
| <b>Unrealised Fx gains/(losses) (C)</b>             | <b>184</b> | <b>(56)</b> | <b>(286)</b> |
| <b>Others</b>                                       |            |             |              |
| Reversal of Old provisions                          | 23         | 5           | 10           |
| Rents received                                      | 7          | 2           | 2            |
| Tax incentives on export of merchandise             | 18         | 0           | 0            |
| Others  | 19         | 38          | 16           |
| <b>Others (D)</b>                                   | <b>67</b>  | <b>45</b>   | <b>28</b>    |
| <b>Grand total (A+B+C+D)</b>                        | <b>498</b> | <b>264</b>  | <b>(187)</b> |

## Other Income movement

- Other income is higher by ₹234Mn (88.5%) QoQ primarily due to unrealised forex restatement gain
- Increase in others is from reversal of old provisions & receipt of differential amount in export tax incentives

| Currency Movement | Q3 FY20 |      | Q2 FY20 |      | Q3 FY19 |      |
|-------------------|---------|------|---------|------|---------|------|
|                   | Forward | Spot | Forward | Spot | Forward | Spot |
| USD               | 74.5    | 71.3 | 73.6    | 70.8 | 67.0    | 71.6 |
| EUR               | 87.4    | 79.1 | 88.1    | 78.2 | 81.5    | 81.6 |
| GBP               | 96.7    | 91.7 | 97.0    | 86.1 | 91.2    | 91.7 |
| AUD               | 53.4    | 48.7 | 53.6    | 48.5 | 51.4    | 51.2 |
| CAD               | 56.0    | 54.0 | 56.4    | 53.3 | 52.5    | 53.6 |

Forward and spot rates represent average of monthly rates

# Income statement for Q3 FY20

| All Figures in ₹ Mn | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|---------------------|---------|---------|---------|
| Revenue             | 11,060  | 11,589  | 11,876  |
| EBIT                | 1,063   | 1,110   | 1,470   |
| PAT (Reported)      | 1,083   | 985     | 921     |
| EPS (₹ Reported)    | 9.8     | 9.0     | 8.1     |

| All Figures in %      | Q3 FY20     | Q2 FY20     | Q3 FY19      |
|-----------------------|-------------|-------------|--------------|
| Gross Margin          | 36.0%       | 34.4%       | 35.0%        |
| EBIT Margin           | <b>9.6%</b> | <b>9.6%</b> | <b>12.4%</b> |
| Effective Tax Rate    | 23.3%       | 22.4%       | 22.4%        |
| PAT Margin (Reported) | <b>9.8%</b> | <b>8.5%</b> | <b>7.8%</b>  |

## Profit After Tax Movement

- PAT increased by ~10% QoQ primarily on account of higher other income
- ETR has increased by 82 bps to 23.3%

## QoQ EBIT Movement

- Consolidated EBIT is flat QoQ at 9.6%.
- Benefits of changes to revenue mix 110 bps, cost optimisation 30 bps, favorable DLM margin 60 bps offset by increase in other direct costs 120 bps, lower bill days impact 60 bps and volume impact of SG&A 20 bps

| All Figures in ₹ Mn                          | Q3 FY20      | Q2 FY20      | Q3 FY19      |
|--|--------------|--------------|--------------|
| Reported EBIT                                | 1,063        | 1,110        | 1,470        |
| Reported EBIT %                              | 9.6%         | 9.6%         | 12.4%        |
| One-off cost from cost optimisation exercise | 179          | 167          | 0            |
| Long Term Investments                        | 119          | 143          | 69           |
| <b>Normalised EBIT</b>                       | <b>1,361</b> | <b>1,420</b> | <b>1,539</b> |
| <b>Normalised EBIT %</b>                     | <b>12.3%</b> | <b>12.3%</b> | <b>13.0%</b> |

*EBIT is normalised for one time costs and long term investments*

*Normalised EBIT-Services is at 13.6% (lower by 72 bps QoQ)*

## YoY EBIT Movement

- Margin improvement from cost optimization ~400 bps offset by one time cost of 160 bps, wage hike 170 bps, changes in revenue mix and lower volume 220 bps and other cost increases 120 bps

- EBIT margin bridge for Q3 FY20

| Particulars                           |                 |
|---------------------------------------|-----------------|
| <b>EBIT Q2 FY20 (Group)</b>           | <b>9.6%</b>     |
| <i>Add: DLM impact</i>                | <i>160 bps</i>  |
| <b>EBIT Q2 FY20 (Services)</b>        | <b>11.2%</b>    |
| Headwinds                             |                 |
| <i>Increase in other direct costs</i> | <i>-120 bps</i> |
| <i>Lower bill days impact</i>         | <i>-60 bps</i>  |
| <i>Volume impact on SGA</i>           | <i>-20 bps</i>  |
| Tailwinds                             |                 |
| <i>Changes to revenue mix</i>         | <i>110 bps</i>  |
| <i>Benefit from Cost optimisation</i> | <i>30 bps</i>   |
| <b>EBIT Q3 FY20 (Services)</b>        | <b>10.6%</b>    |
| <i>Less: DLM impact</i>               | <i>100 bps</i>  |
| <b>EBIT Q3 FY20 (Group)</b>           | <b>9.6%</b>     |

# Cash Generation for Q3 FY20

| All Figures in ₹ Mn  | Q3<br>FY20   | Q2<br>FY20   | Q3<br>FY19   |
|--|--------------|--------------|--------------|
| <b>Services</b>  |              |              |              |
| <b>Operating Profit</b>  | <b>1,462</b> | <b>1,526</b> | <b>1,673</b> |
| Other Income   | 461          | 333          | (340)        |
| <b>Profit from Operations</b>  | <b>1,924</b> | <b>1,859</b> | <b>1,333</b> |
| DSO Movement (Receivables)   | 581          | 790          | 113          |
| Other WC changes   | (122)        | (1,035)      | 551          |
| <b>Operating CF after WC changes</b>                                   | <b>2,383</b> | <b>1,614</b> | <b>1,997</b> |
| Less: Taxes  | (228)        | (553)        | (462)        |
| Less: Capex  | (76)         | (288)        | (241)        |
| <b>Free Cash Flow generated (Services) - i<br/>(prior to one offs)</b> | <b>2,079</b> | <b>773</b>   | <b>1,294</b> |
| <b>DLM</b>   |              |              |              |
| <b>Free Cash Flow generated (DLM) - ii</b>                             | <b>(135)</b> | <b>25</b>    | <b>44</b>    |
| <b>Group FCF (i+ii) (prior to one offs)</b>                            | <b>1,944</b> | <b>798</b>   | <b>1,338</b> |
| <b>FCF to EBITDA Conversion (prior to one offs)</b>                    | <b>95.7%</b> | <b>42.9%</b> | <b>85.6%</b> |

## Cash Generation

- Cash and cash equivalents at a healthy levels of ₹10,239 Mn
- FCF for the quarter stood at ₹1,944 Mn higher by 144% QoQ and YTD at ₹2,928 Mn, mainly due to receipt of long pending collections from few customers, lower tax and capex
- FCF to EBITDA conversion at 96% in Q3FY20 and 52% YTD
- DSO for the Group stood at 94 days



|   |  |  |
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| <p><i>Annexures</i></p>   |  |  |

## Company update - RSU Scheme in lieu of Variable Pay for Senior Associates

- The scheme is designed to encourage senior associates (~100) to participate in the company's growth with a longer term horizon
- It is based on the associates' participation in the scheme *in lieu* of existing variable compensation outflows. Maximum participation is capped at 25% of variable pay in the first year and 50% from the second year
- To encourage participation, company will top up the associates contribution by 25% of the value contributed which vests over 3 year. The additional P&L impact due to this is negligible.
- This scheme will result in enhanced leadership buy-in and alignment to Company's medium term results with minimal dilution of equity for existing shareholders and aligns the goals of the associates to the shareholders interest

# Investment Pipeline & Focus Areas: Q3FY20



\*Pre LOI and LOI reflect a balance position

## Active Investment Pursuits – Specific focus areas\*

|   |   |  |   |
|---|---|--|---|
| <p><b>A&amp;D</b></p> <ul style="list-style-type: none"> <li>• IP led opportunities in systems, sub-systems and components in Avionics and Digital and MRO sub-systems</li> <li>• Mechanical manufacturing in engine externals</li> </ul> | <p><b>Comms</b></p> <ul style="list-style-type: none"> <li>• Wireless designing &amp; planning in the area of small cells</li> <li>• Engineer Furnish &amp; Install &amp; Commissioning &amp; Install activities</li> <li>• NGOSS solution providers &amp; Network Infrastructure provider – Build/Construct</li> </ul> | <p><b>Medical</b></p> <ul style="list-style-type: none"> <li>• Design to Build companies with OEM partnership in Diagnostic Imaging, In-vitro Diagnostic &amp; Cardiology</li> </ul>                       | <p><b>Rail</b></p> <ul style="list-style-type: none"> <li>• Signalling Application Engineering &amp; Testing</li> </ul>   |
| <p><b>E&amp;U</b></p> <ul style="list-style-type: none"> <li>• Digital solutions – Connected equipment, Asset Health Monitoring, Digital Capital Projects and Industrial automation integration</li> </ul>                                | <p><b>SI&amp;A</b></p> <ul style="list-style-type: none"> <li>• Systems Co. with focus on Embedded Systems &amp; Software: Auto Expertise, Autonomous/Connected - HW &amp; SW &amp; IoT systems - HW /SW</li> </ul>   | <p><b>DLM</b></p> <ul style="list-style-type: none"> <li>• Vertical led design specializing in high-mix, low-medium volume assemblies, quick-turn prototypes and new product introduction (NPI)</li> </ul> | <p><b>Corp. Inv.</b></p> <ul style="list-style-type: none"> <li>• Startup investments &amp; strategic organic opportunities: JV/Collaboration, IP investment</li> </ul> |

# • Industry Outlook & Business Performance (1/4)

## Aerospace & Defense

The Aerospace and Defense industry is expected to continue to grow by 4.1 %, led by growing commercial aircraft production and strong defense spending. Most of the growth in the industry will be driven by spend in MRO and manufacturing support segment while aircraft design will scale down. Military expenses are on the rise as security threats continue to intensify across the world. Majority of the defense spending is expected to be driven by APAC with focus on re-evaluating the regions' aerospace and defense needs over the next few years.



## Communications

The Communications industry is expected to grow by 4.4% driven by fast pace of innovations and developments taking place in the industry. The growth driver for the industry over the next few years would be the rollout of the 5G networks across the world. 5G trials and its deployment along with the fiber rollout will drive major investments in the coming years.



# Industry Outlook & Business Performance (2/4)

## Energy & Utilities

The Energy and Utilities industry is expected to witness growth driven by rising commodity prices, focus on grid modernization and renewable energy. The utilities industry is expected to grow at ~4% while mining, oil and gas industry is expected to witness a growth of ~7%. The utilities industry will be driven by investment in distributed and renewable power generation projects and increasing regulatory driven requirements while operational efficiency and focus on digital will drive growth across mining, oil and gas industry.



## Transportation

The Rail Transportation industry is expected to witness growth of 3.3% driven by growth in rail infrastructure and rail control systems. The demand for rail transport is rising in the growing megacities across APAC. The focus on digitization, standardization and cybersecurity is expected to continue to drive growth through the industry.



# • Industry Outlook & Business Performance (3/4)

## Portfolio

The industrial segment growth has been restrained due to challenges in the worldwide economic conditions, fluctuations in pricing and material costs. The market is expected to rebound by 2021. The demand for construction equipment is expected to rise over the year in Asia Pacific region driven by increase in construction activity.

The Geospatial industry is expected to continue to grow driven by growth in GPS devices usage, technological advancements and advent of new business models aimed at leveraging the demand for geospatial information, and increased application of geospatial services. The smart city investments is also expected to drive growth through the industry. The demand for high definition mapping for assisted and autonomous drive continues to increase.



## Semiconductor

The Semiconductor industry is expected to rebound in 2020 and grow by 5.9% globally. The growth in the industry will be driven by Optoelectronics segment followed by logic. The industry is expected to grow across all regions through the year.



# • Industry Outlook & Business Performance (4/4)

## Medical Technology and Healthcare

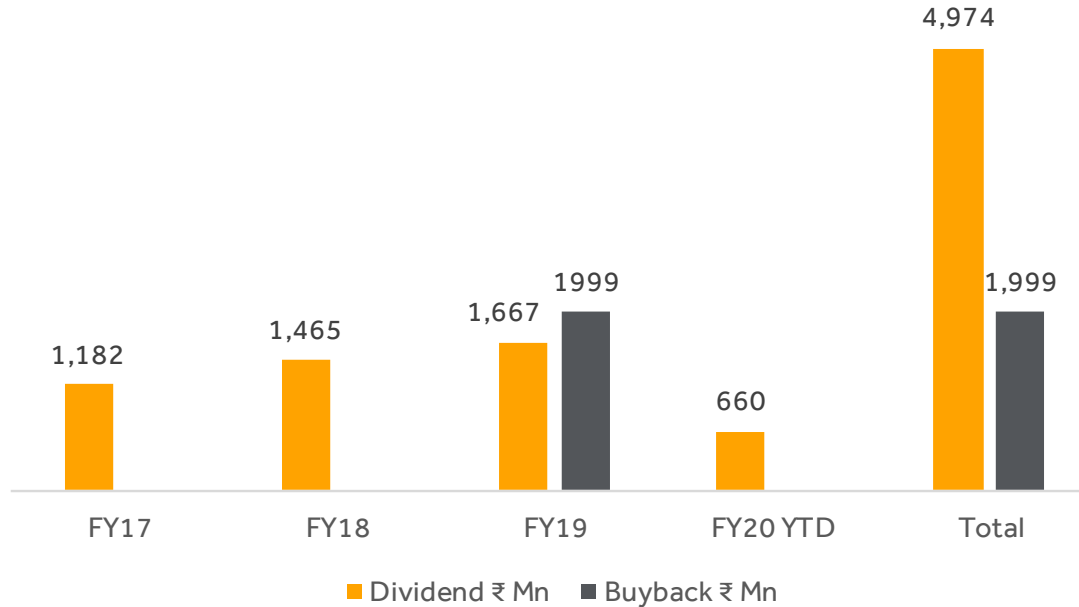
The Medical Technology & Healthcare industry is expected to grow by 5.4% driven by North America region. Focus on investments in new generation medical devices is expected to drive growth through the industry. The Internet of Things (IoT) has begun to play a significant role in medical devices, artificial intelligence (AI) & machine learning are making their mark on medical devices. The industry will continue to see increased investments in digital technologies.



# • Company update

## Dividends and buyback

In the last 4 years Cyient has returned ~₹7,000 million through dividends and buyback to shareholders



## Insider buying YTD FY20

Promoters/Independent directors have bought ~300,000 shares in the last 9 months



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, and its domain knowledge and technical expertise, to solve complex business problems.

With over ~14,500 employees globally, 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](http://www.cyient.com). Follow news about the company at @Cyient

Contact Details:

### **Investor Relations**

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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.; B&F Design 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 FY20

# • Message from the Management



Commenting on the results, Mr. Krishna Bodanapu, Managing Director and Chief Executive Officer, said “Q3 is generally a slow quarter and we recorded a revenue decline of 5.7% in constant currency QoQ and 5.3% YoY. The services revenue declined by 0.2% QoQ in USD predominantly driven by decline across Transportation and A&D business units. The decline in services business was majorly driven by a long term risk sharing agreement we signed with one of our key clients. As part of this agreement, we have provided a one-time discount in Q3. This agreement will accelerate our growth in the coming years and since the cumulative impact was taken in Q3 it has resulted in a de growth.

Due to seasonality in the business DLM BU witnessed a decline of 36.5% QoQ. EBIT was lower QoQ by 4.2% mainly due to volume drop in A&D and Transportation. PAT increased QoQ by 10% (\$15.2 Mn) primarily driven by higher other income despite ETR increase. We continue to make investments in our S3 strategy and are focused on building our capabilities across the product value chain. Our digital suite of solutions are also gaining traction, we are witnessing an increased interest from clients across industries. We will continue to invest in building a strong digital portfolio as part of our strategy.

We expect a strong growth through Q4 driven by growth in E&U, Transportation and Semiconductor, IoT and Analytics BU's. For FY 20, we expect a slight de-growth driven by decline in key clients across Communications and Aerospace BU's.”

# • Message from the Management



**Commenting on the results, Mr. Ajay Aggarwal, President & CFO, said,** “In the last 3 quarters, there has been significant focus on efficiencies and cost optimization program. Due to the program and this focus our cost and profit position is well set for coming year. The current quarter and the year also had costs associated with program.

This despite drop in volume and lower billing days vs. pay days, our EBIT margins stayed flat at 9.6% QoQ (12.3% without one-offs and long term investments). We also posted a double-digit growth in net profit of 10% QoQ. The net profit for the quarter stood at Rs.1083 Mn.

We had good collections in Q3, which resulted in EBITDA to FCF conversion of 96% and YTD 52%. This culminated in a cash balance of Rs.10,239 Mn for the quarter end. We generated FCF of INR 1,944 Mn for quarter.

We are confident of exiting the year with a strong performance in Q4 FY20, which will then provide a solid platform for FY21. We will continue our focus on Growth, Margin expansion and Cash Generation to maximise value for our shareholders.”

# • Business Performance & Outlook (1/3)

## **Aerospace & Defense**

Aerospace & Defense BU witnessed a decline of 17.6% QoQ & 15.4% YoY driven by continued uncertainty and weak customer spend resulting in de-growth in key client accounts. The growth momentum is expected to return over the coming quarter led by key clients in North America. We expect a de-growth through the year due to the global industry challenges and challenges in two of our key customers. We continue to see growth in our DLM business with significant order wins across both North American and Europe. The Services business is seeing a shift in customer spending towards more Digital services.

## **Rail**

Transportation BU witnessed decline of 13.9% QoQ and 9.5% YoY driven by cyclicity in rolling stock projects and right shifting of key projects. The de-growth in Q3 was higher than expected due to a one off event with a key client wherein we have entered into a long term risk sharing agreement. As part of this agreement, we have provided a one-time discount in Q3. This agreement has a potential to accelerate our growth in the coming years and since the cumulative impact was taken in Q3 it has resulted in a de-growth. We have also renewed the agreement with this key client until end of 2023, which provides us with a strong visibility for future. We expect normal run rate and growth in Q4 basis our continued strong engagements with key clients and project visibility especially in the Rolling Stock segment/

# • Business Performance & Outlook (2/3)

## **Communications**

Communications BU witnessed a growth of 12.1% QoQ and 0.4% YoY driven by growth in key accounts, momentum across geographies and new project wins. This is the second quarter of sequential growth through the BU. We expect the growth momentum to continue through the year, driven by growth in focus segments, healthy pipeline and momentum in strategy execution.

## **E&U**

The Energy and Utilities BU witnessed a strong growth of 7.0% QoQ and 6.4% YoY driven by growth in the services business esp. across utilities clients. We expect the growth momentum to continue through the year, with double digit growth expected driven by the positive momentum in the services business and new client wins in the utilities segment. Also, the pipeline for digital projects continues to grow especially in the mining sector.

## **Semiconductor**

Semiconductor, IoT and Analytics BU witnessed a growth of 0.2% QoQ and 2.3% YoY driven by growth in our turnkey business. However, our performance through the quarter was impacted by softness in the industry and client rampdowns. We expect de-growth through the year driven by de-growth in our semiconductor services business.



# • Business Performance & Outlook (3/3)

## **MTH**

Medical Technology and Healthcare BU witnessed a growth of 7.1% QoQ and 23.2% YoY driven by growth across manufacturing business while services business witnessed a moderate growth driven by key customers. The outlook for the year continues to be strong with double digit growth expected through the year, driven by strong growth in manufacturing business and top customer growth in services business.

## **Portfolio**

The Portfolio BU witnessed a decline of 4.4% QoQ and 8.7% YoY driven by de-growth in the industrial and geospatial segments. Business seasonality and delay in ramp up in key client accounts impacted growth in geospatial segment while Industrial witnessed a de-growth across key client accounts. We expect decline in growth through the year impacted by sluggish industry outlook and decline in key clients.

# Consolidated Financial Metrics

## Key Operational Metrics (₹Mn)

| ₹ Mn             | Q3 FY20 | Q2 FY20 | Q3 FY19 | Growth % |          |
|------------------|---------|---------|---------|----------|----------|
|                  |         |         |         | QoQ      | YoY      |
| Revenue          | 11,060  | 11,589  | 11,876  | -4.6%    | -6.9%    |
| EBIT             | 1,063   | 1,110   | 1,470   | -4.2%    | -27.7%   |
| EBIT Margin      | 9.6%    | 9.6%    | 12.4%   | 3 bps    | -277 bps |
| Reported PAT     | 1,083   | 985     | 921     | 10.0%    | 17.6%    |
| Reported EPS (₹) | 9.8     | 9.0     | 8.1     | 10.0%    | 20.9%    |

## Key Operational Metrics (\$Mn)

| \$ Mn        | Q3 FY20 | Q2 FY20 | Q3 FY19 | Growth % |          |
|--------------|---------|---------|---------|----------|----------|
|              |         |         |         | QoQ      | YoY      |
| Revenue      | 155.2   | 164.2   | 165.1   | -5.5%    | -6.0%    |
| EBIT         | 14.9    | 15.6    | 20.5    | -4.6%    | -27.2%   |
| EBIT Margin  | 9.6%    | 9.6%    | 12.4%   | 3 bps    | -277 bps |
| Reported PAT | 15.2    | 13.8    | 12.8    | 10.0%    | 18.6%    |

## Foreign Exchange Rate

| \$/₹            | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|-----------------|---------|---------|---------|
| Quarter Average | 71.27   | 70.58   | 71.93   |
| Quarter Closing | 71.39   | 70.50   | 69.93   |

# Consolidated Revenue Segmentation

## By Geography (%)

|                               | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|-------------------------------|---------|---------|---------|
| Americas                      | 56.8%   | 55.3%   | 54.1%   |
| Europe, Middle East, Africa   | 25.1%   | 26.5%   | 22.1%   |
| Asia Pacific (includes India) | 18.1%   | 18.2%   | 23.8%   |

## By Business Unit (%)<sup>1</sup>

|                                    | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|------------------------------------|---------|---------|---------|
| Aerospace and Defense              | 34.8%   | 39.9%   | 38.6%   |
| Transportation                     | 10.1%   | 11.1%   | 10.5%   |
| Energy and Utilities               | 14.5%   | 12.8%   | 12.8%   |
| Semiconductor, IoT and Analytics   | 4.4%    | 4.2%    | 4.1%    |
| Medical, Technology and Healthcare | 4.5%    | 4.0%    | 3.5%    |
| Communications                     | 22.2%   | 18.7%   | 20.7%   |
| Portfolio                          | 9.4%    | 9.3%    | 9.7%    |

<sup>1</sup> Including DLM split across BUs

# Consolidated Operations Metrics

## Account Receivables (in Days)

|                  | Q3 FY20   | Q2 FY20   | Q3 FY19   |
|------------------|-----------|-----------|-----------|
| <b>DSO Total</b> | <b>94</b> | <b>95</b> | <b>83</b> |
| - Billed         | 59        | 64        | 59        |
| - Unbilled       | 35        | 31        | 24        |

## Order Intake (\$ Mn)<sup>2</sup>

|                       | Q3 FY20    | Q2 FY20    | Q3 FY19    |
|-----------------------|------------|------------|------------|
| Cyient Services       | 173        | 143        | 255        |
| DLM                   | 8          | 22         | 19         |
| <b>Group OI Total</b> | <b>181</b> | <b>165</b> | <b>274</b> |

<sup>2</sup> 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 Customer Metrics

## Top Clients: Revenue Contribution (%)

|        | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|--------|---------|---------|---------|
| Top 5  | 33.0%   | 31.0%   | 33.2%   |
| Top 10 | 44.5%   | 41.6%   | 43.9%   |

## No. of Million \$ Clients

|                            | Q3 FY20   | Q2 FY20   | Q3 FY19   |
|----------------------------|-----------|-----------|-----------|
| 20 Mn+                     | 4         | 4         | 4         |
| 10 Mn+                     | 11        | 12        | 13        |
| 5 Mn+                      | 27        | 27        | 31        |
| 1 Mn+                      | 90        | 91        | 87        |
| <b>New Customers Added</b> | <b>13</b> | <b>20</b> | <b>11</b> |

# Consolidated Employee Metrics

## Employee

|                                  | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|----------------------------------|---------|---------|---------|
| Total Manpower                   | 14,472  | 14,869  | 15,193  |
| Technical & Pool                 | 13,405  | 13,800  | 14,002  |
| Non-Technical                    | 378     | 380     | 413     |
| Support                          | 689     | 689     | 778     |
| Voluntary Attrition <sup>3</sup> | 19.7%   | 18.0%   | 21.2%   |
| Involuntary Attrition            | 5.2%    | 5.8%    | 2.3%    |

<sup>3</sup> Q3 FY20 attrition has been higher compared to the previous two quarters, though voluntary attrition for YTD and Q3 FY20 is lower on a YOY basis. We are going as per plan in retention of key talent and have been taking proactive actions to ensure business continuity and sustainability. The ongoing alignment towards the customer plans and with the skills requirements may see involuntary attrition continue at current levels.

# Consolidated Other Financial Metrics (1/2)

## Other Income (₹ Mn)

|                             | Q3 FY20    | Q2 FY20    | Q3 FY19     |
|-----------------------------|------------|------------|-------------|
| Income from Investments     | 96         | 101        | 137         |
| Fx Gain/(Loss) - Realised   | 151        | 174        | -66         |
| Fx Gain/(Loss) - Unrealised | 184        | -56        | -286        |
| Others                      | 67         | 45         | 28          |
| <b>Total</b>                | <b>498</b> | <b>264</b> | <b>-187</b> |

## Capex (₹ Mn)

|                     | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|---------------------|---------|---------|---------|
| Capital Expenditure | 111     | 339     | 326     |

## Cash Position (₹ Mn)

|                        | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|------------------------|---------|---------|---------|
| Cash & Cash Equivalent | 10,239  | 8,641   | 12,308  |
| Cash & Bank balances   | 4,172   | 3,586   | 3,667   |
| Investments in FDs     | 5,070   | 4,039   | 7,296   |
| Investment in MFs      | 997     | 1,016   | 1,345   |

## • Consolidated Other Financial Metrics (2/2)

### Outstanding Forward Contracts (Mn of respective currencies)^

|            | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|------------|---------|---------|---------|
| USD / INR  | 68.7    | 69.4    | 61.0    |
| EURO / INR | 25.9    | 26.7    | 28.9    |
| GBP / INR  | 6.5     | 7.5     | 8.9     |
| AUD / INR  | 24.7    | 24.5    | 22.4    |

*^Forward contracts are taken only for services business*



# Consolidated Income Statement

| ₹ Mn                               | Q3 FY20       | Q2 FY20       | Q3 FY19       |
|------------------------------------|---------------|---------------|---------------|
| <b>Operating Revenue</b>           | <b>11,060</b> | <b>11,589</b> | <b>11,876</b> |
| <b>Cost of Revenue</b>             | <b>7,082</b>  | <b>7,601</b>  | <b>7,723</b>  |
| Direct Salary and related costs    | 4,873         | 4,986         | 5,179         |
| Direct Travel                      | 190           | 192           | 249           |
| Sub contract and others            | 1,158         | 964           | 934           |
| Delivery Management                | 201           | 209           | 251           |
| Material cost                      | 661           | 1,249         | 1,109         |
| <b>Gross profit</b>                | <b>3,978</b>  | <b>3,987</b>  | <b>4,153</b>  |
| Sales and Marketing                | 555           | 531           | 631           |
| General and Administration         | 1,889         | 1,859         | 1,774         |
| Depreciation and Amortization      | 470           | 488           | 279           |
| <b>EBIT</b>                        | <b>1,063</b>  | <b>1,110</b>  | <b>1,470</b>  |
| Financial expenses                 | 129           | 120           | 96            |
| Other income                       | 498           | 264           | -187          |
| <b>Profit before tax (PBT)</b>     | <b>1,433</b>  | <b>1,254</b>  | <b>1,187</b>  |
| Tax                                | 333           | 281           | 266           |
| Associate & Minority Profit        | -16           | 12            | 1             |
| <b>Profit After Tax (Reported)</b> | <b>1,083</b>  | <b>985</b>    | <b>921</b>    |
| Basic EPS (₹) (Reported)           | 9.8           | 9.0           | 8.1           |
| Gross Margin                       | 36.0%         | 34.4%         | 35.0%         |
| EBIT Margin                        | 9.6%          | 9.6%          | 12.4%         |
| Effective Tax Rate                 | 23.3%         | 22.4%         | 22.4%         |
| PAT Margin (Reported)              | 9.4%          | 8.3%          | 7.9%          |

# Consolidated Balance Sheet

| ₹ Mn                                   | Q3 FY20       | Q2 FY20       | Q3 FY19       |
|--|---------------|---------------|---------------|
| <b>EQUITY AND LIABILITIES</b>          |               |               |               |
| <b>Shareholders' funds</b>             |               |               |               |
| - Share capital                        | 550           | 550           | 565           |
| - Reserves and surplus                 | 25,539        | 25,206        | 24,919        |
| <b>Total - Shareholders' funds</b>     | <b>26,089</b> | <b>25,756</b> | <b>25,484</b> |
| <b>Non-current liabilities</b>         |               |               |               |
| - Long-term borrowings and liabilities | 3,591         | 3,730         | 1,986         |
| - Long-term provisions                 | 1,155         | 1,152         | 1,063         |
| - Deferred tax liabilities (net)       | 378           | 327           | 355           |
| <b>Total - Non-current liabilities</b> | <b>5,124</b>  | <b>5,209</b>  | <b>3,404</b>  |
| <b>Current liabilities</b>             |               |               |               |
| - Short-term borrowings                | 3,100         | 2,273         | 2,200         |
| - Trade payables                       | 3,911         | 4,142         | 3,787         |
| - Other current liabilities            | 3,842         | 3,532         | 4,324         |
| - Short-term provisions                | 558           | 871           | 811           |
| <b>Total - Current liabilities</b>     | <b>11,411</b> | <b>10,818</b> | <b>11,122</b> |
| <b>TOTAL - EQUITY AND LIABILITIES</b>  | <b>42,624</b> | <b>41,783</b> | <b>40,010</b> |
| <b>ASSETS</b>                          |               |               |               |
| <b>Non-current assets</b>              |               |               |               |
| - Property, plant and equipment        | 8,930         | 8,795         | 5,441         |
| - Goodwill                             | 5,331         | 5,189         | 5,249         |
| - Non-current investments              | 332           | 344           | 194           |
| - Deferred tax assets (net)            | 505           | 426           | 293           |
| - Other non-current assets             | 1,783         | 1,956         | 2,092         |
| <b>Total - Non-current assets</b>      | <b>16,881</b> | <b>16,710</b> | <b>13,269</b> |
| <b>Current assets</b>                  |               |               |               |
| - Inventories                          | 2,259         | 2,200         | 1,485         |
| - Current investments                  | 997           | 1,016         | 1,345         |
| - Trade receivables                    | 7,297         | 8,296         | 7,797         |
| - Cash and cash equivalents            | 9,242         | 7,625         | 10,963        |
| - Other current assets                 | 5,948         | 5,936         | 5,151         |
| <b>Total - Current assets</b>          | <b>25,743</b> | <b>25,073</b> | <b>26,741</b> |
| <b>TOTAL ASSETS</b>                    | <b>42,624</b> | <b>41,783</b> | <b>40,010</b> |

# Consolidated Cash Flow Movement

| ₹ Mn  | Q3 FY20      | Q2 FY20      | Q3 FY19      |
|---|--------------|--------------|--------------|
| <b>Free cash flow, after non-operating income</b> | 1,944        | 798          | 1,338        |
| Long term investments                             | -331         | -301         | -50          |
| Equity  | 0            | 7            | 3            |
| Borrowings  | 785          | -76          | -97          |
| Dividends   | -800         | 0            | -809         |
| Buyback of Shares                                 | 0            | 0            | 0            |
| Others  | 0            | 0            | -187         |
| <b>Net change in cash</b>                         | <b>1,598</b> | <b>428</b>   | <b>198</b>   |
| <b>Opening cash position</b>                      | 8,641        | 8,213        | 12,110       |
| <b>Closing cash position</b>                      | 10,239       | 8,641        | 12,308       |
| <b>FCF to EBITDA Conversion</b>                   | <b>95.7%</b> | <b>42.9%</b> | <b>85.6%</b> |

# Cyient Metrics (Excluding Design Led Manufacturing)

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

## By Geography (%)

|                                | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|--------------------------------|---------|---------|---------|
| Americas                       | 57.5%   | 60.2%   | 58.2%   |
| Europe, Middle East, Africa    | 25.5%   | 26.3%   | 24.1%   |
| Asia Pacific (including India) | 16.9%   | 13.6%   | 17.7%   |

## By Business Unit (%)

|                                    | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|------------------------------------|---------|---------|---------|
| Aerospace and Defense              | 32.2%   | 33.9%   | 34.3%   |
| Transportation                     | 11.1%   | 13.0%   | 12.0%   |
| Energy and Utilities               | 14.5%   | 13.2%   | 12.6%   |
| Semiconductor, IoT and Analytics   | 4.9%    | 4.9%    | 4.7%    |
| Medical, Technology and Healthcare | 2.4%    | 2.4%    | 2.0%    |
| Communications                     | 24.4%   | 21.7%   | 23.4%   |
| Portfolio                          | 10.5%   | 10.9%   | 11.0%   |

## Onsite/offshore Split (%)

|          | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|----------|---------|---------|---------|
| Onsite   | 54.8%   | 55.3%   | 57.6%   |
| Offshore | 45.2%   | 44.7%   | 42.4%   |

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

## Currency Mix (%)

|        | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|--------|---------|---------|---------|
| USD    | 55.0%   | 59.8%   | 57.2%   |
| EURO   | 14.0%   | 13.3%   | 13.6%   |
| GBP    | 10.0%   | 8.1%    | 7.9%    |
| AUD    | 9.0%    | 8.0%    | 11.5%   |
| Others | 12.0%   | 10.8%   | 9.9%    |

## Account Receivables (in Days)

|                  | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|------------------|---------|---------|---------|
| <b>DSO Total</b> | 94      | 98      | 83      |
| - Billed         | 55      | 61      | 56      |
| - Unbilled       | 39      | 36      | 27      |

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

## Top Clients: Revenue Contribution (%)

|        | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|--------|---------|---------|---------|
| Top 5  | 36.6%   | 36.2%   | 38.0%   |
| Top 10 | 49.3%   | 47.3%   | 50.1%   |

## No. of Million \$ Clients

|                            | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|----------------------------|---------|---------|---------|
| 20 Mn+                     | 4       | 4       | 4       |
| 10 Mn+                     | 11      | 12      | 13      |
| 5 Mn+                      | 23      | 22      | 27      |
| 1 Mn+                      | 77      | 77      | 73      |
| <b>New Customers Added</b> | 13      | 19      | 11      |

## Employee

|                  | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|------------------|---------|---------|---------|
| Total Manpower   | 13,854  | 14,215  | 14,532  |
| Technical & Pool | 12,847  | 13,204  | 13,539  |
| Non-Technical    | 364     | 373     | 215     |
| Support          | 643     | 638     | 778     |

# Cyient Metrics (Design Led Manufacturing)



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

## Income Statement - Abridged (In ₹ Mn)<sup>1</sup>

|  | Q3 FY20    | Q2 FY20    | Q3 FY19    |
|--|------------|------------|------------|
| Net Revenue                                | 1,076      | 1,687      | 1,479      |
| Direct Salaries & other costs <sup>^</sup> | 233        | 268        | 189        |
| Material Cost <sup>^</sup>                 | 661        | 1,249      | 1,109      |
| <b>Gross Profit</b>                        | <b>182</b> | <b>169</b> | <b>180</b> |
| SG&A                                       | 147        | 138        | 122        |
| Depreciation & amortisation                | 34         | 32         | 23         |
| <b>EBIT</b>                                | <b>2</b>   | <b>-0</b>  | <b>35</b>  |
| Other Charges                              | 24         | 8          | 26         |
| <b>Profit Before Tax</b>                   | <b>-23</b> | <b>-8</b>  | <b>9</b>   |

<sup>1</sup> Includes B&F Design Inc.

<sup>^</sup> Direct salaries and Material costs of Q3FY19 are reclassified for like to like comparison

## By Geography (%)

|                                | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|--------------------------------|---------|---------|---------|
| Americas                       | 49.9%   | 26.7%   | 25.5%   |
| Europe, Middle East, Africa    | 20.9%   | 27.5%   | 8.3%    |
| Asia Pacific (including India) | 29.2%   | 45.9%   | 66.2%   |

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

## By Business Unit (%)

|                       | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|-----------------------|---------|---------|---------|
| Aerospace and Defense | 58.5%   | 75.1%   | 68.7%   |
| Transportation        | 1.0%    | 0.0%    | 0.1%    |
| Energy & Utilities    | 14.8%   | 10.5%   | 14.7%   |
| Medical               | 24.4%   | 13.5%   | 14.0%   |
| Communications        | 1.6%    | 1.0%    | 2.1%    |
| Portfolio             | 0.0%    | 0.2%    | 0.4%    |
| Others                | -0.2%   | -0.3%   | 0.0%    |

## Currency Mix (%)

|        | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|--------|---------|---------|---------|
| USD    | 74.0%   | 82.0%   | 78.9%   |
| EURO   | 5.0%    | 3.0%    | 2.2%    |
| Others | 21.0%   | 14.0%   | 18.9%   |

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

## No. of Million \$ Clients

|                            | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|----------------------------|---------|---------|---------|
| 5 Mn+                      | 4       | 5       | 4       |
| 2 Mn+                      | 11      | 10      | 10      |
| 1 Mn+                      | 13      | 14      | 14      |
| <b>New Customers Added</b> | 0       | 1       | 0       |

## Key Operational Metrics

|                            | Q3 FY20 | Q2 FY20 | Q3 FY19 |
|----------------------------|---------|---------|---------|
| Headcount                  | 618     | 654     | 661     |
| DSO (in Days)              | 94      | 85      | 81      |
| DPO (in Days)              | 153     | 131     | 116     |
| Customer Advance (in Days) | 103     | 88      | 98      |
| Inventory (in Days)        | 190     | 125     | 146     |
| Total Cash (₹ Million)     | 541     | 596     | 902     |

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, and its domain knowledge and technical expertise, to solve complex business problems.

With over 15,000 employees globally, 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](http://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.; B&F Design 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.

The background of the slide is a photograph of several people sitting around a table in what appears to be a meeting or collaborative work environment. The image is heavily filtered with a warm, yellow-orange color. A large white rectangular box is positioned on the left side of the slide, containing the text 'THANK YOU'.

**THANK YOU**