

CYIENT

19 November 2022

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

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

Dear Sir/ Madam,

Sub: Investor Day

The company conducted its 9th Investor day with wide participation from investors and analysts. The senior Management presented insights into the business and further outlook and plans. The related presentations are uploaded on the website of the company (<https://www.cyient.com/>)

This is for your information and records.

Thanking you,
For Cyient Limited



Ravi Kumar Nukala
Dy. Company Secretary

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CYIENT INVESTOR DAY

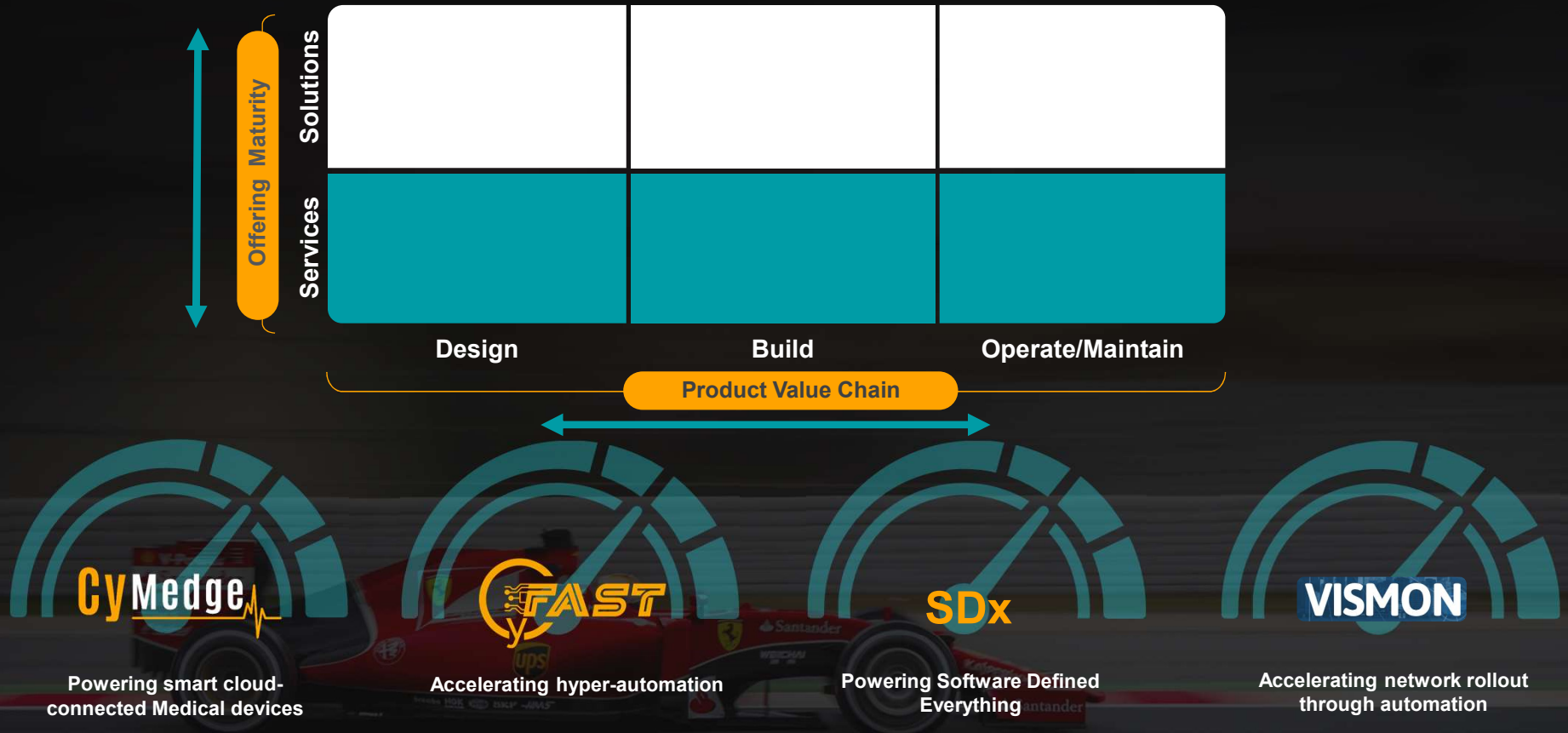
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Navigating for Future

Krishna Bodanapu



S3 Strategy: Strengthening Services and Accelerating Solutions

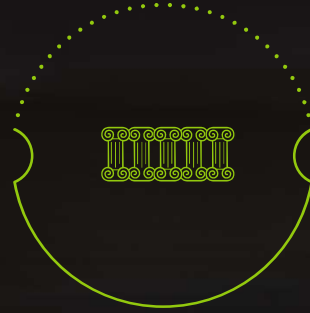


Execution Focus

Strengthen the Core



Expand on 5 Pillars



Accelerate Megatrends



Key Account Growth
Accelerate Large Deals
Optimizing Automation
Talent
Culture

Digital
Networks
Geo-Spatial
Embedded
VLSI

Smarter Ops
Intelligent Mobility
Sustainability
Digital Healthcare
Space Systems

What went well?



Strong client relationships



Domain Focus



Execution Rigor



Diversified Industry Portfolio



What didn't go well?



**Where we
were selling**



**What we were
selling**



**Efficiency
challenges**



**Capex
control**



What has changed?



Sales focus on existing accounts and new accounts



Focus on large deals



Focus on IT/OT convergence



Focus on new industries



Synergy in operations



Good became a great team



THANK YOU

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DRIVING INNOVATION & OPERATIONAL EXCELLENCE

Karthik Natarajan

CREATED 5 X 5 OPERATING MODEL

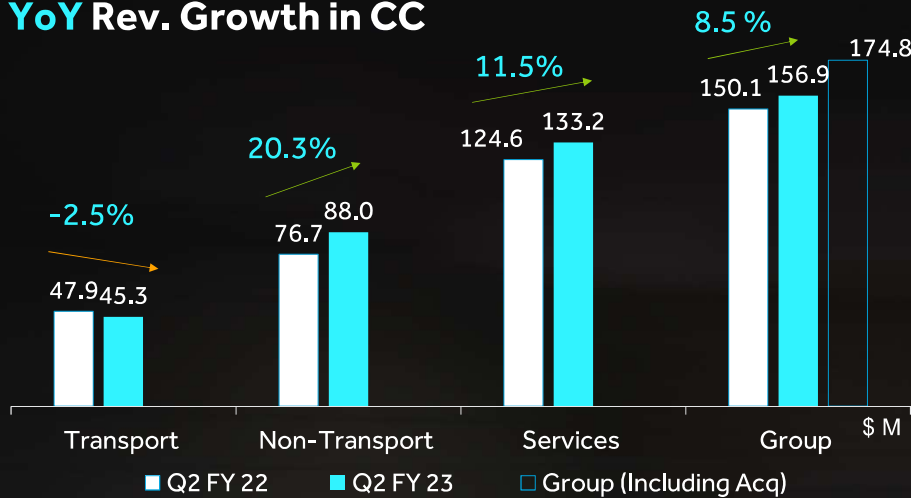
Agile & Scalable to deliver industry leading growth



DELIVERING SUSTAINABLE GROWTH

75% of Services Business growing @ 21-22% YoY

YoY Rev. Growth in CC



Business Unit	YoY Rev Growth in CC
Healthcare	104%
Mining	76%
Semicon	51%
Auto & Mobility	40%
Communications	25%
Aero	8%
Energy	2%
HiTech	-2%
Utilities	-10%
Rail	-24%

Q2 FY23

- Services Revenue growth (incl acquisitions): **25.8% YoY**
- Group Revenue growth (incl acquisitions): **20.4% YoY**
- Utilities, Hitech and segments of Aero & Rail (25% of Services Business) de-grew by **20-21%**
- 75% of Services Business grew by **21-22% YoY**
- Geo-wise focus, growth areas focus (Rail focus on Signaling) and strengthened Leadership to enable growth

PRIMED THE SALES ENGINE

To lead the customer journey transformation

Sales Focus and Acceleration

- Large Deals Factory
- 5 Pillars
- Key Account Plans

Sales Training & Tools and SIP plans for incremental revenue growth

Long-term customer relationships & CXO connects (2X connects so far)

Consultative & Tech Solutions partner



~ \$ **530Mn**
Large Deals
TCV H1 FY23

of \$ **1Mn+**
Accounts **98**
(vs 64 in FY21)

19-22%
Key Accounts
Growth YoY

33-35%
5P* Revenue
Growth YoY
5P* - includes acquisitions

Building Eco System (Partners / Startups / Academia)

READYING THE DELIVERY MODEL FOR FUTURE

Continuous Operational improvements & Future-ready Delivery

Futuristic Delivery Model

- Agile
- Scalable
- Pod based structure

Cost of Delivery

- Automation / Price Hikes /
Change Request / Utilization / Cease
& Cure

Talent readiness for the Future
(incl Tech investments towards
innovative solutions)



~11%
(over 10 quarters)
Increase in
Utilization

~9%
(over 10 quarters)
Increase in
Offshoring

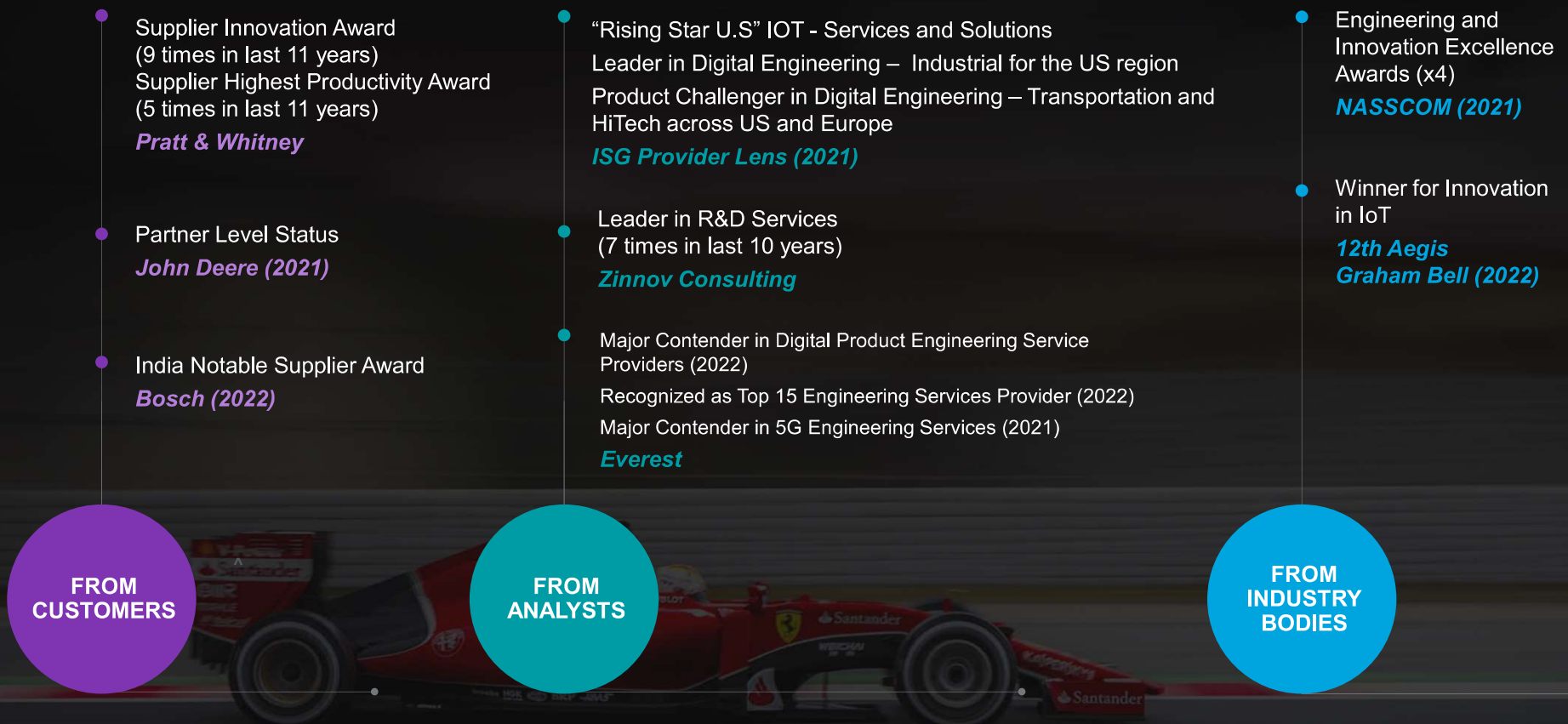
2.5-3%
Automation /
Price Hikes

30-35%
Of total workforce
Re-skilled
& Deployed

Working with Eco System (Automation Partners / Industry Bodies / Training Partners / Academia)

RECOGNITIONS FOR PERFORMANCE AND INNOVATION

Industry Leading Benchmarks



PIVOT TO TECH SOLUTIONS COMPANY

Growth Engine for sustained outperformance

Gearing up for \$ 1Bn run-rate in FY24

1 Key Account Growth

Segment	Q2 FY23	Q2 FY22
20Mn+	4	3
10Mn+	12	10
5Mn+	37	32
1Mn+	98	92

2 Accelerate Large Deals

- Large Deals pipeline of \$ 1Bn+
- TCV of Deals H1 FY23: ~ \$ 530Mn

3 Operational Efficiency*

- 2.5-3% improvement YoY

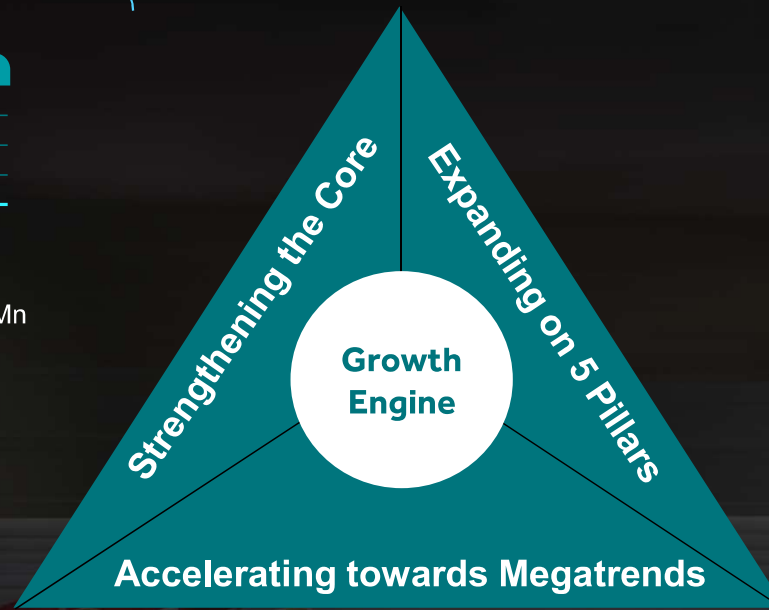
4 Future Talent

- Re-skilling & Upskilling
- Tech Leadership Program

5 Culture

- AGILE
- ValuesFIRST

Strengthening the Core



5 Pillars : Accelerated Growth

- Revenue Growth YoY: **33-35%**
- 5 Pillars TTM OI Growth YoY: **40%**

Expanding on 5 Pillars

5 Megatrends : Futuristic Offerings



Accelerating Toward Megatrends

* To counter future wage inflation

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ACCELERATING TOWARD
MEGATRENDS

VALUE CREATION FOR SHAREHOLDERS

Ajay Aggarwal



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**Voice of
Investors**

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for Future

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Roadmap
to FY24



Voice of Investors - ISAT FY22

ISAT Score of 5.16 , an improvement of 19% from FY20



Focus on improving business performance and shareholder returns

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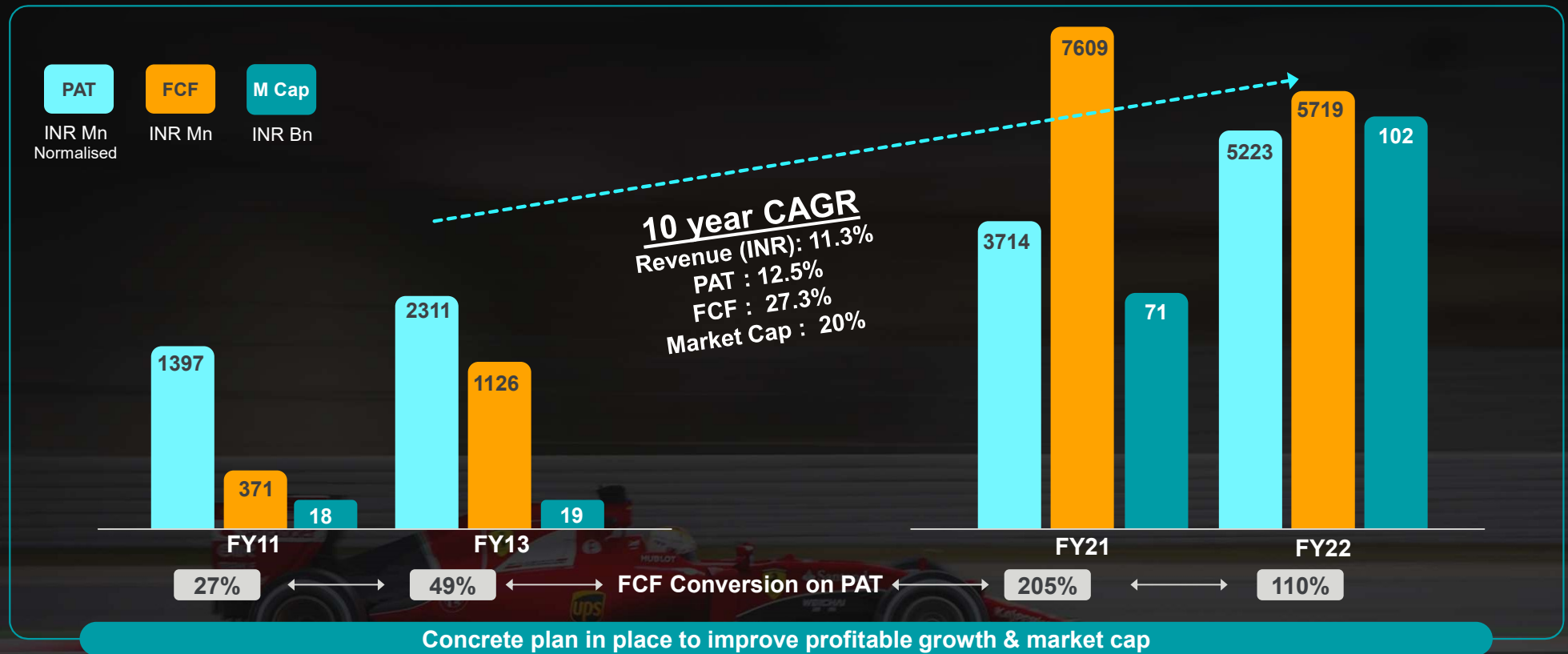
Positioning
for Future

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Roadmap
to FY24

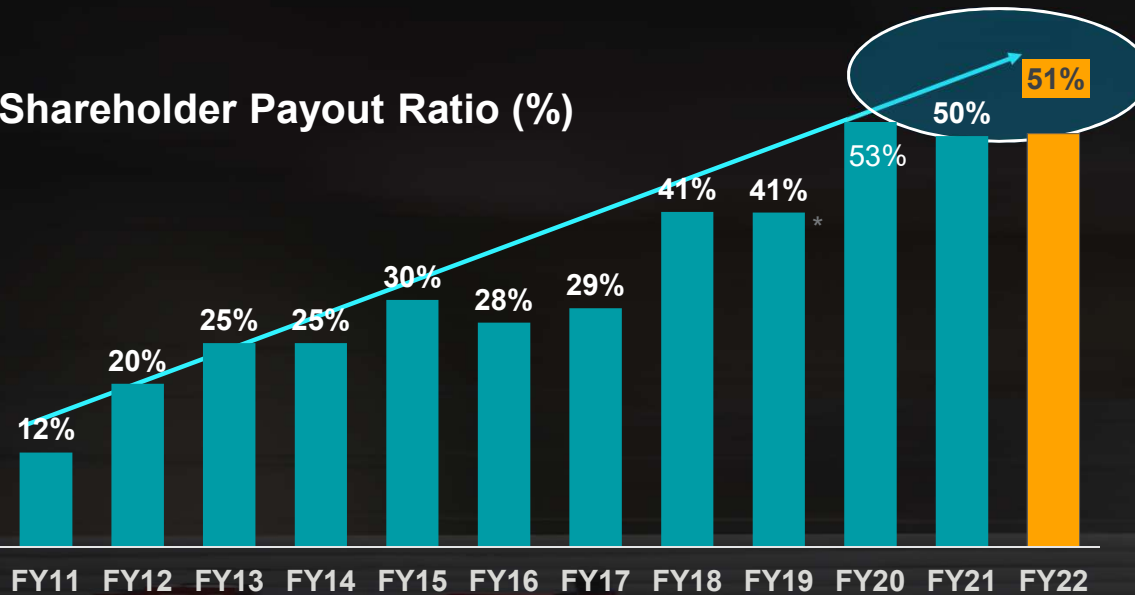


Double Digit Growth: Revenue, PAT, FCF, Market Cap



Consistent Shareholder Payout

Shareholder Payout Ratio (%)



- Consistent payout at avg **50%** for past 3 years
- Cyient Board approved the change in dividend policy (in FY21) to a payout ratio up to **50%** of net profit

*FY19 payout ratio does not include buyback of shares of 41% dividend distribution tax considered for payout computation payout computed on Normalized PAT

Cyient continues to lead in terms of shareholders payout compared to midcap peers

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Roadmap
to FY24



Capital Allocation

Focus on improvement of capital efficiency through strategic capital allocation

Consistent Payout to Share Holders

Avg payout of 51% in past 3 years

Expected to be 50%+ in FY23

Debt Management

Q2 FY23 Debt Equity Ratio of 0.45x

Q3 FY23 Debt to Equity to be <0.25x

Investing in Inorganic Growth

4 Acquisitions closed in H1 FY23

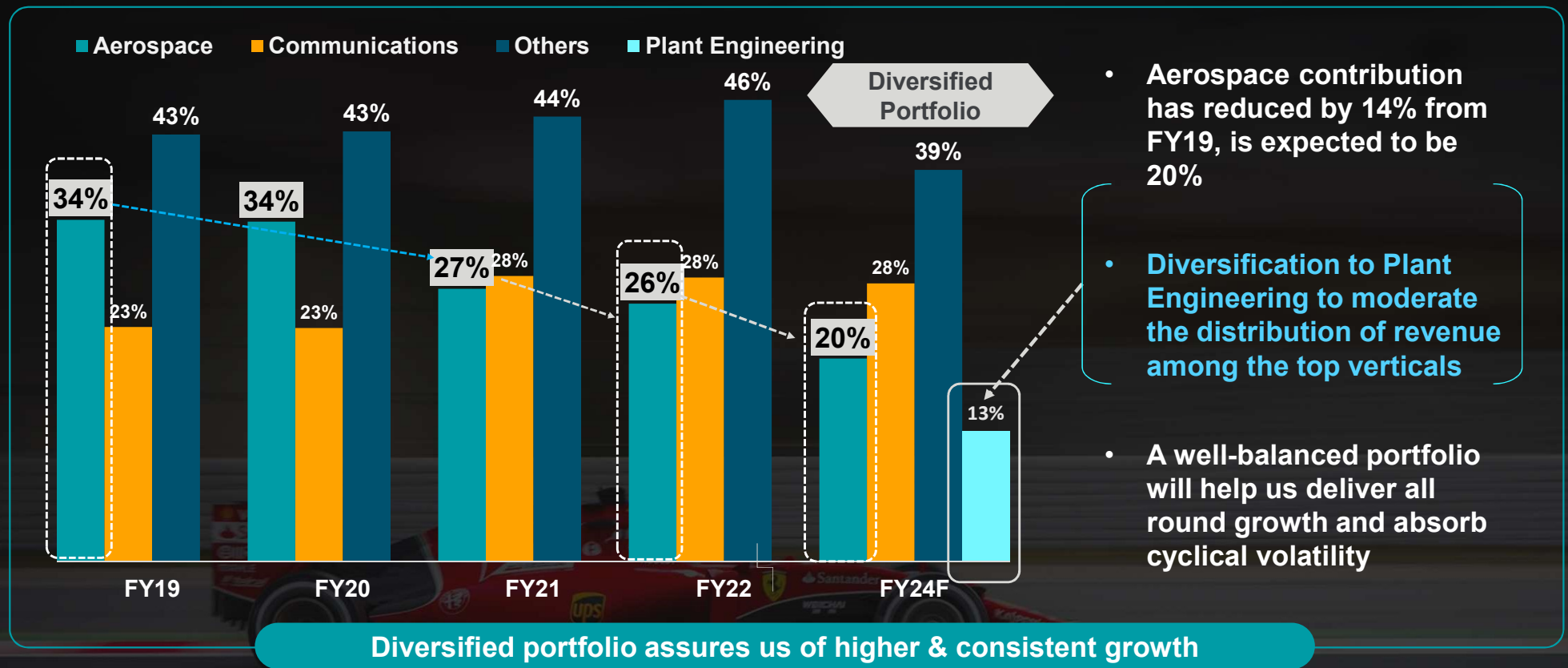
Expected to add INR 4-5 to EPS

Portfolio Changes

Broadening the base to reduce dependency

Repositioning of DLM, SDR & others

Portfolio Mix: Broadening The Base (Services)



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**Roadmap
to FY24**



Equipped for the March



Balance sheet to support company's business goal and maximize financial performance

- Strong governance around aged items - AR, Inventory
- Healthy mix of debt equity
- Optimum level of Working capital

• Comprehensive Risk Charter covering Cyber, Compliance & Operational risks

- Consistent and conservative hedging policy generated gains (10 years)– average of ~5.4% of PAT

• Pioneers of key corporate governance practices, rolled out several initiatives before being mandatory by law; *CSR, Secretarial Audit*

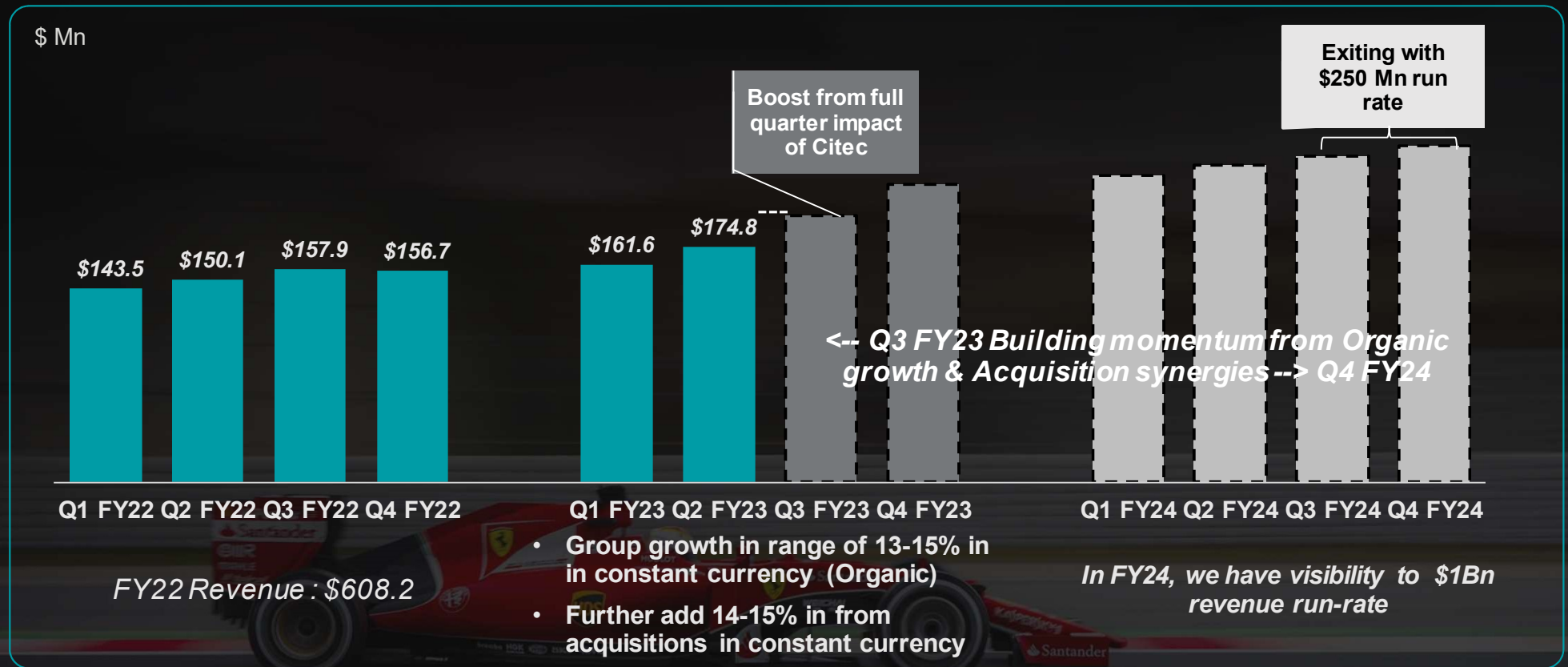
- Annual evaluation of statutory and internal auditors
- Rating of Corporate Governance Practices by ICRA in 2018 and 2019 (*CGR2+*)
- Publishing sustainability report since 2021

• Key Leaders from diversified background bring new age experiences and out of box business models

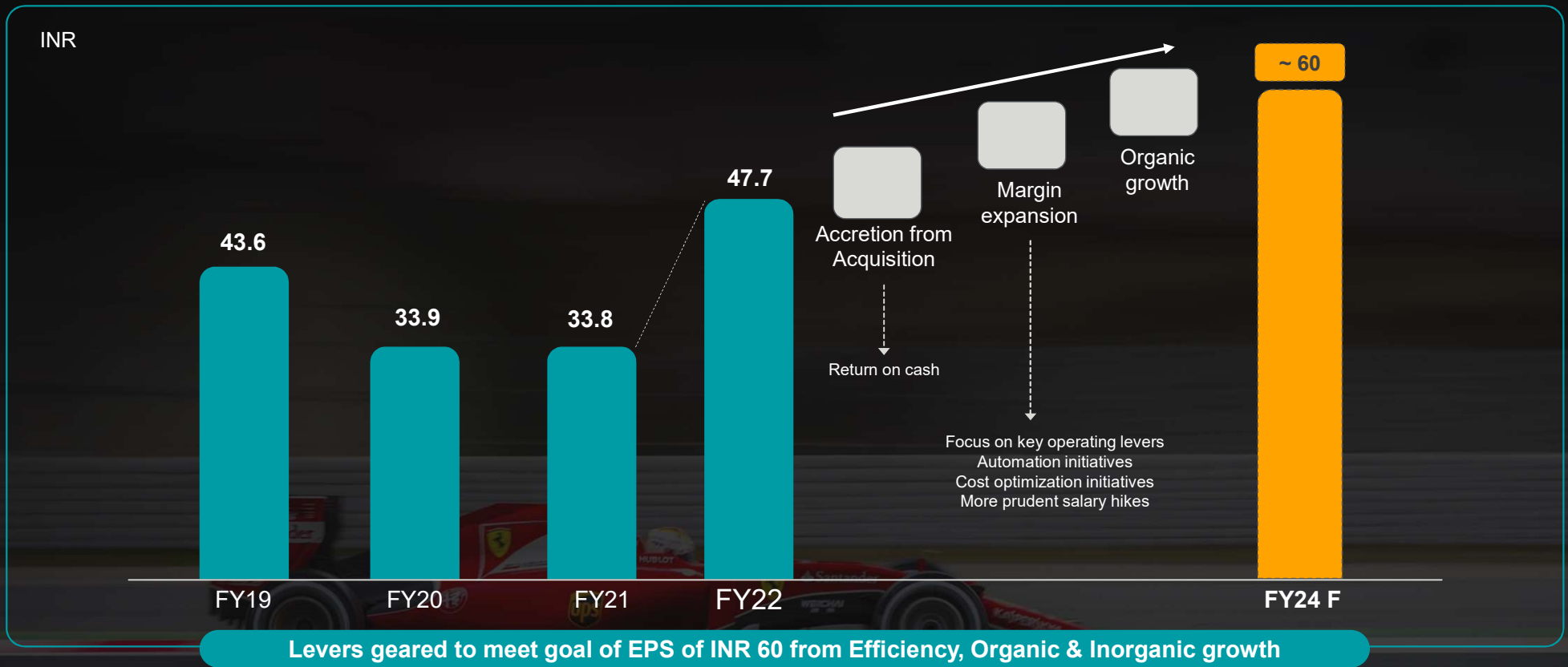
- Systems and processes geared for tomorrow

Building a strong support system to drive our goals

Revenue Roadmap to FY24



Roadmap to EPs: INR 60 (FY24)





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DESIGN LED MANUFACTURING (DLM) OUTLOOK

Anthony Montalbano



**We operate in a
large and
growing market**

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Emerging technologies are driving a trillion-dollar market for electronics

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Key Tech Mega-Trends Driving Growth



**5G and
Hyperconnectivity**



**XaaS
and SD-X**



Metaverse



IoT and Industry 4.0



Artificial Intelligence



IoT Adoption

~\$900B
Spending on
IoT platforms



Metaverse¹

~\$1T
Market
of Metaverse¹
by 2030



**Artificial
Intelligence**

~\$327B
Global AI
Market

Much of the electronics revolution will be led by
High Complexity-Medium Volume segment

A&D

MedTech

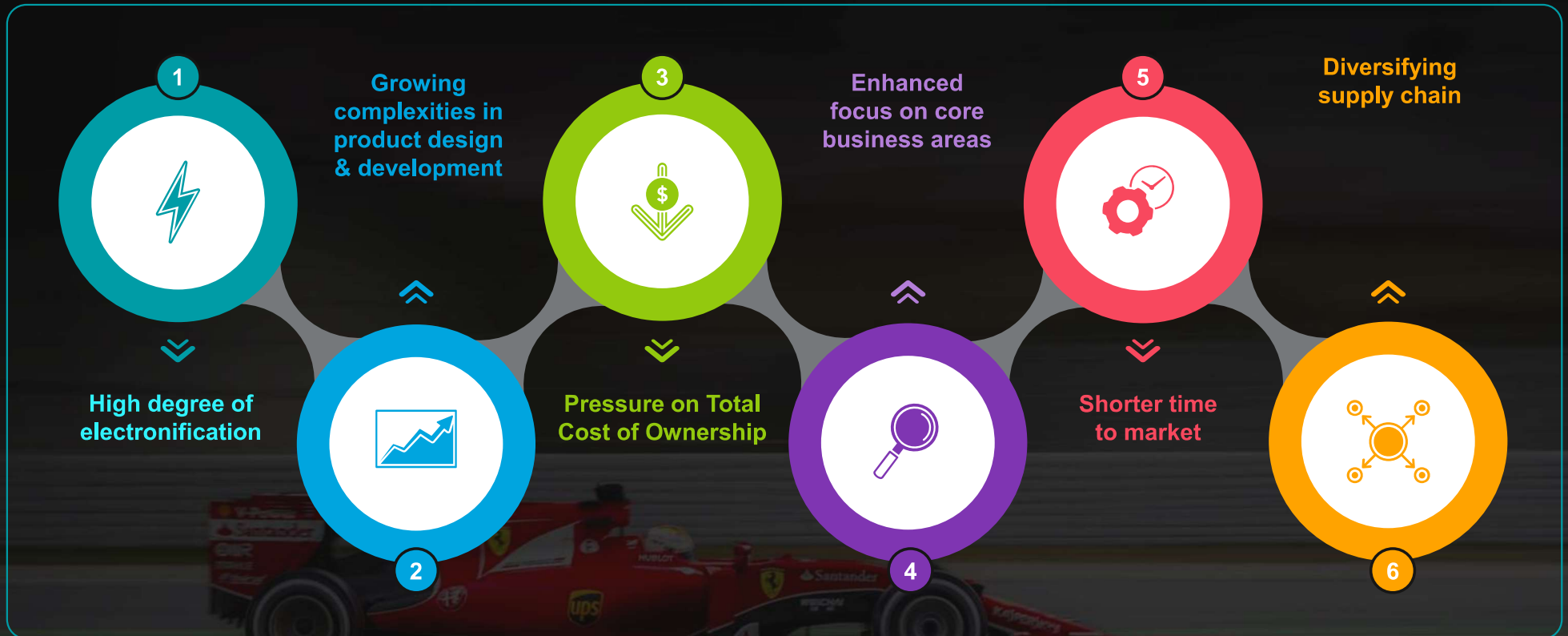
Industrials

Comms

Auto

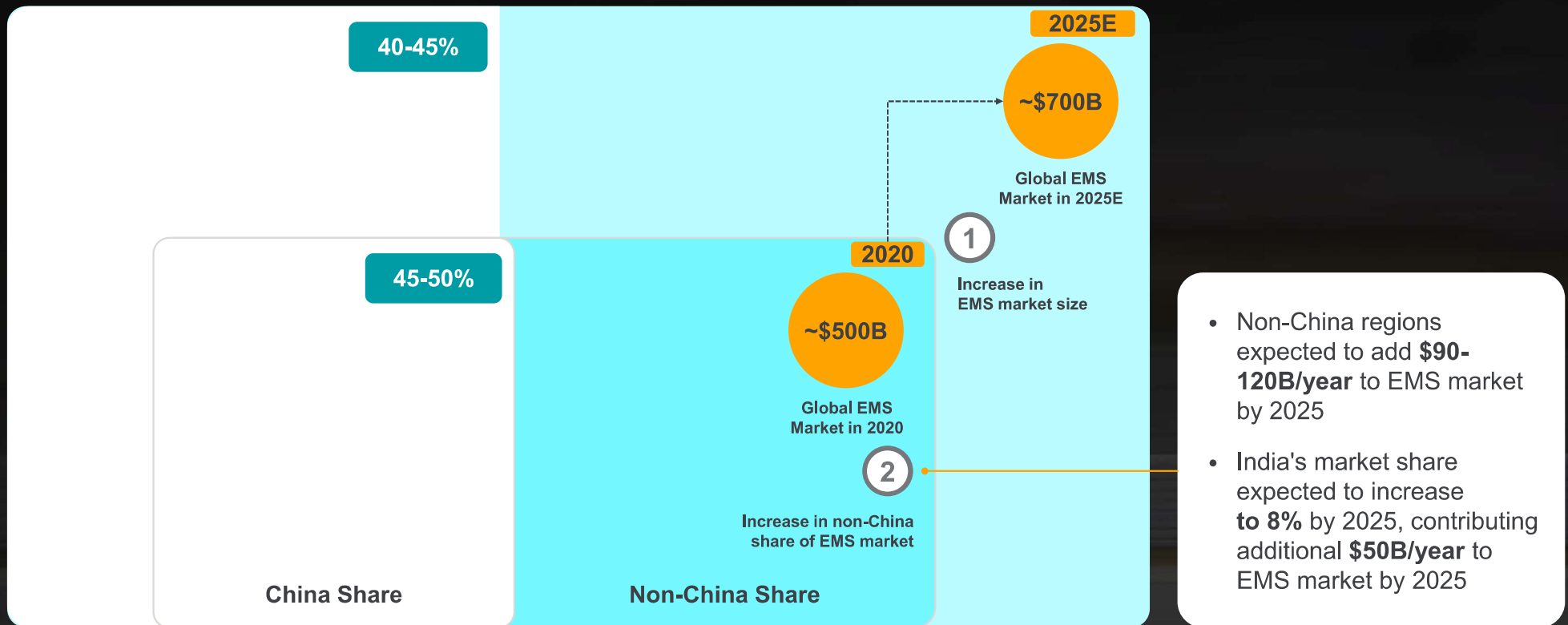
Increasing degree of electronification and OEMs' evolving needs impacting the EMS market

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Source: Expert Interviews, press search

This is driving a strong outlook for the global EMS market



Sources: Capital IQ, Market Research Future, IIBEF, company DRHPs

Domestic demand for high-complexity electronics set to exponentially increase over the next decade

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\$50B

Market size of MedTech sector expected by 2025 growing at 15%



\$10B

India's defense capital outlay on indigenous military equipment, expected to grow at 10% CAGR



2.2K

Additional commercial aircrafts over next two decades



~\$70B

Investment in telecom infrastructure over next four years driven by 5G roll-out



52%

Growth expected in Electric Vehicles to ~4M units in 2026

Source: Make in India website, ICEA, DGCA, NASSCOM, Press Search

Strong governmental incentives are providing opportunities for EMS players to capture both India for India and India for Global demand

Strong government push to promote electronics manufacturing via PLI schemes

Incentive of
4-6%

On incremental sales

\$5.7B

Total expenditure outlay

3565
acres

Devoted to infrastructure ecosystem

EMS
Players¹

FOXCONN WISTRON
BHARAT FIH PEGATRON

OEMs leveraging India as an export hub; opportunistic play to capture export demand in medium-high complex industries

Global MedTech players set up mnfg. facilities under PLI incentives



\$10B

Export market expected by 2025

Industrials players leveraging cost advantages in India



~50%

Production in India exported

Mobile phones exports booming



\$5.5B

Mobile phones exports in FY22E

Source: Ministry of Electronics & Manufacturing Technology, PIB, Press Search

Note: 1: Already invested or planned investment

Market trends and our distinct positioning creates a significant market opportunity

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Focus on High Complex Electronics with strong B2S capability to address end to end requirements



Specialization in Safety-Critical Electronics



Experts in Regulated Industries



Integrated Solution Partner



Agility and Flexibility



Delivery Excellence