

18 July 2019

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 – Reg.

Please find enclosed herewith investor presentation issued by the company on the financial results for the quarter ended 30 June 2019.

This is for your information and records.

Thanking you
For Cyient Limited



N. Ravi Kumar

Dy. Company Secretary.



CYIENT

INVESTOR PRESENTATION

Q1 FY20

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.

Highlights	Financial Update	Business Update
<ul style="list-style-type: none"> • Financial Highlights • Business Highlights • Awards & Recognition • CSR Activities 	<ul style="list-style-type: none"> • Revenue • Cost optimization • Ind AS 116 • Hedge and other income • Income statement update • Cash generation 	<ul style="list-style-type: none"> • Cost Optimization Exercise • Significant highlights • M&A update • Industry outlook
<p><i>Annexures</i></p>		

Highlights

- Financial Highlights
- Business Highlights
- Awards & Recognition
- CSR Activities

Financial Update

- Revenue
- Cost optimization
- Ind AS 116
- Hedge and other income
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- Cash generation

Business Update

- Cost Optimization Exercise
- Significant highlights
- M&A update
- Industry outlook

Annexures

• Highlights for the Quarter (1/2)

Revenue

0.8% YoY (₹ terms)
-2.6% YoY (\$ terms)

Quarterly revenue at
\$156.6Mn/₹10,890Mn

Consolidated EBIT Margin @ 9.2%

Services EBIT margin at 10.5%

DLM EBIT margin at -0.3%

PAT growth @ 9.7% YoY

PAT for the quarter ₹905Mn

Financial Highlights for Quarter

- Consolidated revenue at \$ 156.6Mn; de-growth of 5.2% QoQ and de-growth of 2.6% YoY
- Services revenue at \$ 137.9Mn; de-growth of 6.1% QoQ (-5.7% in CC) and de-growth of 3.4% YoY
- DLM revenue at \$ 18.7Mn; growth of 2.2% QoQ, 3.7% YoY
- EBIT margin for services at 10.5%, up 10 bps YoY (EBITDA margin for services at 14.8%, up 160 bps YoY)
- EBIT margin for DLM at -0.3%, down 280 bps YoY (EBITDA margin for DLM at 1.9%, down 260 bps YoY)
- Profit After Tax at ₹905 Mn for the quarter; growth of 9.7% YoY

• Highlights for the Quarter (2/2)

Business Highlights

- Strategic Investment in Cylus (a rail cybersecurity company) : The investment strengthens our focus on digitization and cybersecurity solutions for the rail industry
- Announced partnership with Onestrand Inc. : This partnership will allow Cyient to provide interactive technical publication solutions using Onestrand's S1000D software

CSR Activities

- Continue to support 25 Government Schools – providing education to 15800+ underprivileged children
- Continue to support 67 Cyient Digital Centers (CDCs) in around Hyderabad to more than 20,000+ children and 14,000+ community members
- Completed training to a 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 320 unemployed people under the Cyient IT/ITES Skill Centre

Highlights

- Financial Highlights
- Business Highlights
- CSR Activities
- Infrastructure
- Awards and Operations

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Revenue for Q1 FY20

Revenue	Q1FY19	Q2 FY19	Q3 FY19	Q4 FY19	Q1 FY20	QoQ	YoY
\$ Mn	160.8	168.9	165.1	165.2	156.6	-5.2%	-2.6%
₹ Mn	10,800	11,870	11,876	11,629	10,890	-6.4%	0.8%

Business Units	Services			Group			Geography	
	\$ Mn	QoQ	YoY	\$ Mn	QoQ	YoY		
A&D	48.4	-2.8%	-0.8%	60.7	0.1%	1.6%	NAM	\$86.8Mn
Comms	29.8	-8.9%	-12.4%	29.9	-10.3%	-17.0%		-2.8% QoQ
E&U	16.9	-11.8%	4.3%	20.7	-5.7%	7.3%		2.8% YoY
Transportation	17.7	-1.9%	2.5%	17.7	-1.6%	2.8%	EMEA	\$44.1Mn
Portfolio	14.3	-9.7%	-11.0%	14.4	-10.0%	-11.4%		7.9% QoQ
SIA	7.6	-7.8%	-2.2%	7.6	-7.8%	-2.2%	APAC (incl. India)	11.5% YoY
MT&H	3.1	4.4%	21.4%	5.6	0.4%	22.8%		\$25.7Mn
Total	137.9	-6.1%	-3.4%	156.6	-5.2%	-2.6%		-26.7% QoQ
<i>CC Growth</i>		<i>-5.7%</i>			<i>-4.8%</i>		-30.2% YoY	

- Services gap QoQ primarily from Communications (\$2.9 Mn), Energy and Utilities (\$2.3 Mn), Portfolio (\$1.6 Mn) & Aerospace & Defence (\$1.4 Mn)
- We expect good recovery in Q2 FY20

• Cost Optimization Exercise

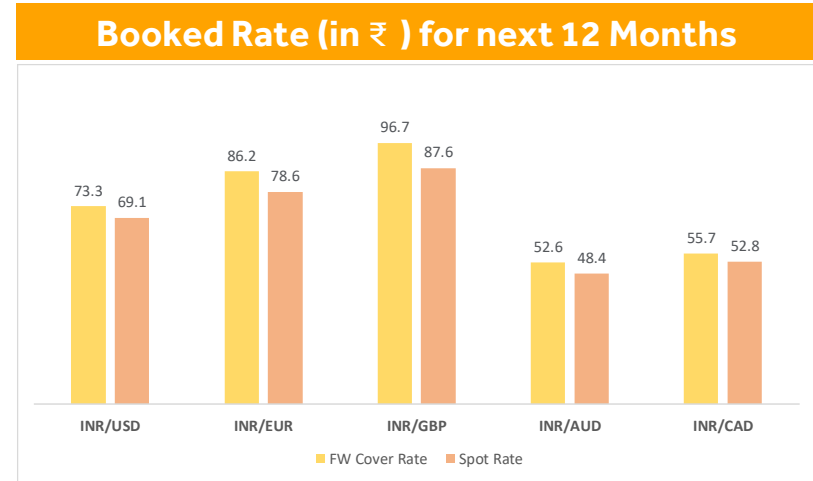
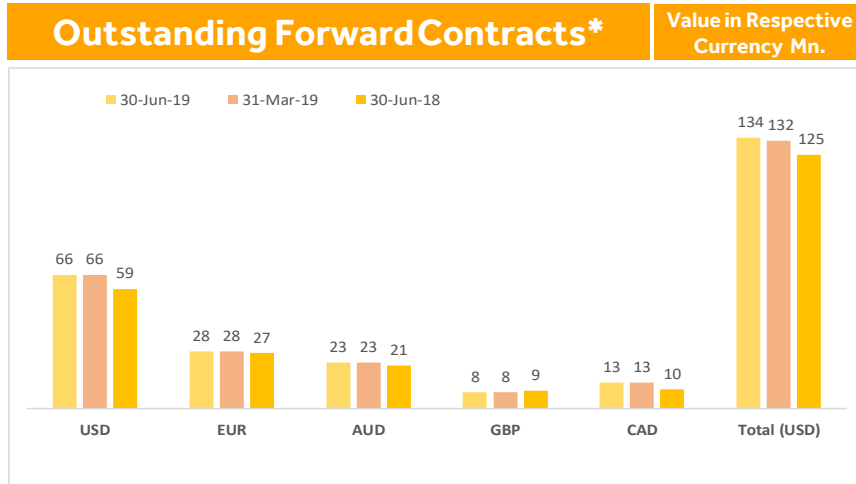
- **Theme:** To achieve sustainable margins for Cyient's Services Business through improvements in cost of delivery and sustained improvement in SG&A costs in line with best-in-class and other initiatives to improve profitability.
- **Status update:** A number of levers targeting cost of delivery and SG&A are identified for this exercise. Levers with high savings potential have been identified and initiated actions upon and regular cadence set up to track the progress.
- **Next steps/milestones:** Continue with actions identified through rest of the year. Additional governance, tools, process, policy and organization being defined to ensure sustainability year on year. Part of the savings net of one time costs will be visible in FY20 and 100% of the target savings to start reflecting from Q1 FY21 onwards.

• Ind AS 116 - Leases

Lease accounting change

- The new accounting standard Ind AS 116 Leases is effective for annual reporting beginning April 19
- Lessees were hitherto required to disclose operating lease arrangements as an off-balance sheet item and corresponding liability as a disclosure.
- Ind AS 116 introduces a single lessee accounting model and requires recognition of right-of-use asset and corresponding liability for almost all leases by the Lessee.
- Impact of 1.7% on OPM and additions of ₹3,206Mn to asset base
- For better disclosure and to have like to like comparison, we now disclose EBIT (and not EBITDA)

Hedge Book for Q1 FY20



- 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 30th June'19 is ~ **\$134Mn**
 - If the spot rate remains at same level (as at 30th Jun'19), forex gain on current forward contracts could be ~**\$10Mn (~₹ 691 Mn)**

Other Income for Q1 FY20

All Figures in ₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
Income from Treasury			
Interest on Invesmtents/Deposits	113	135	116
Dividend on Mutual Funds	8	13	8
Subtotal (A)	121	148	124
Realised gains/(losses) on Fwd Contracts (B)	108	(6)	(46)
Unrealised Fx gains/losses) (C)	24	126	30
Others			
Interest on IT Refunds	0	0	13
Reversal of Old provisions	5	30	19
Tax incentives on export of merchandise	18	280	0
Others	7	211	30
Others (D)	30	521	62
Grand total (A+B+C+D)	282	789	170

Currency Movement	Q1 FY20		Q4 FY19		Q1 FY19	
	Forward	Spot	Forward	Spot	Forward	Spot
USD	70.3	69.7	67.3	70.7	67.3	67.9
EUR	85.4	78.3	84.5	80.4	75.9	79.8
GBP	96.3	89.2	94.3	93.1	87.7	91.1
AUD	52.8	48.8	52.7	50.6	50.4	50.7
CAD	54.3	51.6	53.5	52.4	50.4	52.0

Forward and spot rates represent average of monthly rates

Other Income movement

- Other income is Lower by ₹507Mn (-64%) QoQ primarily due to lower Treasury income by ₹27Mn and lower Unrealised gains by ₹102Mn, offset by realised favourable forward contract gains by ₹114 Mn
- The swing in Others portion is due to absence of Export incentives (₹280Mn), reversal of DLM put option (₹135Mn) & Certon Earn out provision reversal (₹69Mn) which occurred in Q4 FY19
- For the full year we expect gains in tax incentives to be at similar levels of FY19, healthy Fx gains at current spot, steady treasury income, increase in realised gains and unrealised gains

Income statement for Q1 FY20

All Figures in ₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
Revenue	10,890	11,629	10,800
EBIT	1,447	1,751	1,316
PAT (Reported)	905	1,768	825
PAT (Normalised)	905	1,881	825
EPS (₹ Reported)	8.2	15.7	7.3
EPS (₹ Normalised)	8.2	16.7	7.3

All Figures in %	Q1 FY20	Q4 FY19	Q1 FY19
Gross Margin	34.4%	35.3%	34.3%
EBIT Margin	9.2%	12.8%	9.5%
Effective Tax Rate	22.0%	15.3%	27.1%
<i>ETR (excl. one-offs)</i>	<i>22.0%</i>	<i>21.5%</i>	<i>25.2%</i>
PAT Margin (Reported)	8.3%	15.2%	7.5%
PAT Margin (Normalised)	8.3%	16.2%	7.5%

EBIT Movement

- Consolidated EBIT at 9.2% ; down 358 bps QoQ. Consolidated EBITDA at 13.3% down 180 bps QoQ
 - One time impact of lower efficiencies (160 bps), lower absorption (142 bps), increased investment (58 bps), **totaling to 360 bps**, Fx impact (35 bps), hike impact (85 bps) offset by cost optimization program (130 bps)

Profit After Tax Movement

- PAT YoY growth of 9.7%
- PAT down by 51.9% QoQ primarily driven by lower EBIT and lower other income

Operating margin bridge for Q1 FY20

Particulars	
EBIT Q4 FY19	12.80%
<i>Depreciation</i>	<i>225 bps</i>
OPM (EBITDA) Q4 FY19	15.10%
<i>Lower efficiencies*</i>	<i>-160 bps</i>
<i>Lower SG&A absorption*</i>	<i>-142 bps</i>
<i>Increased Investment spend*</i>	<i>-58 bps</i>
<i>Fx impact</i>	<i>-35 bps</i>
<i>Hike Impact</i>	<i>-85 bps</i>
<i>Lease reclassification (IndAS 116)</i>	<i>170 bps</i>
<i>Net Benefit from efficiency program</i>	<i>130 bps</i>
OPM (EBITDA) Q1 FY20	13.30%
<i>Depreciation</i>	<i>-276 bps</i>
<i>Lease reclassification (IndAS 116)</i>	<i>-130 bps</i>
EBIT Q1 FY20	9.20%

} 360 bps

**One off issues during the quarter due to lower volume. Expected to improve in Q2 FY20 because of volume uptick*

Cash Generation for Q1 FY20

All Figures in ₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
Services			
Operating Profit	1,403	1,513	1,273
Other Income	199	985	157
Profit from Operations	1,602	2,498	1,430
DSO Movement (Receivables)	(1,320)	(474)	(1,123)
Other WC changes	593	(863)	539
Operating CF after WC changes	875	1,161	846
Less: Taxes	(240)	(366)	(142)
Less: Capex	(221)	(16)	(286)
Free Cash Flow generated (Services) - i	414	779	418
DLM			
Free Cash Flow generated (DLM) - ii	(228)	(377)	27
Group FCF (i+ii)	186	402	445
FCF to EBITDA Conversion	10.8%	15.8%	29.9%

Cash Generation –

- Cash and cash equivalents at a healthy levels of ₹8,213Mn
- For the quarter, the cash flow conversion stood at 10.8%, primarily due to higher DSO at 104 days; excluding the one off, the normalised DSO is 93 days. DSO is expected to be <90 days leading to a release of >₹1,000Mn in Q2 FY20
- DLM has consumed cash of ₹228Mn in Q1 FY20
- We continue to focus on improvement in FCF conversion through focus on collection and other working capital management

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• Significant Developments for Q1 FY20

Reorganisation of Business Units

- The Company combined energy and natural resources business' in erstwhile Industrial, Energy and Natural Resources (IENR) BU and the 'utilities business' in erstwhile Utilities & Geospatial (U&G) BU into a new business unit, Energy & Utilities (E&U) with an intent to leverage synergize and build capabilities across energy value chain
- Also, Geospatial business in erstwhile U&G and the Industrial business in erstwhile IENR are now part of a new business unit, Portfolio, with an intent to execute strong solutions focus

New Business Accelerator program (NBA)

- 16 projects under development; Total approved projects is 19
- Seeing customer level traction in the products/solutions being developed under NBA, especially in space-bots, smart cities, AR/VR and Additive manufacturing
- The current NBA initiatives likely to accelerate Cyient's EPS growth by 1.5%-3.0%, from FY21 onward

SAP Hana Implementation

- Cyient has re-implemented its ERP and has moved from SAP ECC to SAP S4 Hana (S4H). We have added new modules such as Treasury, Document Management System and Business Planning and Consolidation. The new ERP went live from 1st April 2019. This is a significant investment by Cyient and S4H will provide a scalable architecture that will enable faster closing and reporting, better financial controls and process automation. S4H also brings a lot of other benefits and will help Cyient get granular information which will help drive the business more efficiently.

Investment Pipeline & Focus Areas for Q1 FY20



*Pre LOI and LOI reflect a balance position

Active Investment Pursuits – Specific focus areas*

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

*Broad inorganic strategy focused on new geography led expansion, new Services and consolidation opportunities continue

• Industry Outlook & Business Performance (1/4)

Aerospace & Defense

The Aerospace and Defense industry is expected to grow by 4% driven by strong commercial aircraft order backlog and defense spending. With a strong aircraft backlog, manufacturers are expected to ramp up production, hence driving growth in the sector. The defense spend is expected to grow through the year majorly driven by increased spend in emerging markets such as China, India and Japan.



Communications

The Communications industry is expected to grow by 2%-3% through the year driven primarily by broadband rollout and 5G deployment with key players making significant investments in 5G technologies. The trend of increased data consumption will continue in 2019 with even greater volumes of data generated by new technologies.



• Industry Outlook & Business Performance (2/4)

Energy & Utilities

The Energy and Utilities industry is expected to witness a growth of 2.5% driven by rising commodity prices, focus on grid modernization and renewable energy. The outlook for the mining sector is positive with rising commodity prices. The sector is experiencing strong outlook of future orders and reduced operational costs. The utilities industry is witnessing significant growth due to an investment in distributed and renewable power generation projects and increasing regulatory driven requirements. Large investments in grid modernization, renewable, mobility and smart metering continue to dominate capital investments, supported by operational processes to manage increasing volumes of data.



Transportation

The Rail transport industry is expected to witness a growth of 2.5% driven by growth in rail infrastructure and rail control systems. The demand for rail transport is rising in the growing megacities of Asia and India in particular. The focus on digitization, standardization and cybersecurity is expected to continue throughout the year.



• 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 continues to grow as spatial dimension and locational context becomes critical for many diverse businesses and applications. Location data continues to be prevalent in discussions around Smart Building and City projects, and new types of location data, such as 3D and building face types, are seen as critical to successful 5G roll-outs. The demand for High Definition Mapping for assisted and autonomous drive continues to increase.



Semiconductor

The semiconductor industry is expected to witness a drop of ~3% through the year, driven by a downturn in memory chip sales. Overall, chipmakers sales are expected to keep rising in the coming year, but the memory chip market is projected to shrink slightly following significant growth this year. Growth in the industry is expected to return in 2020.



• Industry Outlook & Business Performance (4/4)

Medical Technology and Healthcare

The Medical device industry is poised for steady growth, with the industry expected to grow at a rate of ~5% during the year. Digital technologies such as RPA, cloud, artificial intelligence (AI), and robotics, to internet of medical things (IoMT), digital and virtual reality will continue to see increased investments.



Cyient (Estd: 1991, NSE: CYIENT) provides engineering, manufacturing, geospatial, digital, networks, and operations management solutions to global industry leaders. Cyient leverages the power of digital technology and advanced analytics capabilities, along with domain knowledge and technical expertise, to solve complex business problems. As a Design, Build, Operate and Maintain partner, Cyient takes solution ownership across the value chain to help clients focus on their core, innovate, and stay ahead of the curve.

Relationships form the core of how Cyient works. With more than 15,000 employees in 21 countries, Cyient partners with clients 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 defence, medical, telecommunications, rail transportation, semiconductor, utilities, industrial, energy and natural resources.

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.; B&F Design Inc.; New Technology Precision Machining Co. 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 (HAL JV)

The income statement and cash flow provided is in the internal MIS format. MIS format is different from the income statement published as part of the financial results, which is as per the statutory requirement.



THANK YOU



CYIENT

INVESTOR PRESENTATION ANNEXURE

Q1 FY20

• Message from the Management



Commenting on the results, Mr. Krishna Bodanapu, Managing Director and Chief Executive Officer, said, "Our Q1 FY 20 results were disappointing, we recorded a revenue of \$156.6 Mn lower by 4.8% QoQ and 0.6% YoY. Our services business was lower by 5.7% QoQ predominantly driven by Communications, Aerospace, Energy and Utilities and Portfolio business units. However, our top 20 client's revenue grew by 270 bps QoQ. The DLM business grew by 2.2% QoQ. Our EBIT% at group level witnessed a de-growth of 356bps QoQ due to lower business volume, incremental spend on investments and wage hike impact.

This quarter saw us make investments in building our offerings through strategic investment in Cylus a rail cybersecurity company. This investment will allow us strengthen our focus on digitization and cybersecurity solutions for the rail industry. We will continue to invest in strategic areas through the area to strengthen our offerings.

Our outlook for the year remains positive and we are confident on double digit EBIT growth backed by revenue growth and cost optimization initiatives."

• Message from the Management



Commenting on the results, Mr. Ajay Aggarwal, President & CFO, said, “While the company has challenges in the short-term, focus and investments on the long-term initiatives continue.

The introduction of our robust cost optimisation and profit improvement program has helped to clearly identify and begin implementation of potential cost reduction levers. The program is on track and a plan is in place for redesigning the company and building efficiency in systems and processes for sustainable outcomes. With operational efficiency being realised in phases in the coming quarters, the results from the initiative would strengthen our position not only for the current year but also for the coming years.

Cyient continues to invest in IT and technology solutions, with a strong focus on return on investments. We successfully implemented SAP S/4 Hana across the organisation as well as its seamless integration with other systems. Cyient has invested significantly in the NBA (New Business Accelerator) Program this quarter. While this do have a short-term impact on performance, the program is garnering good traction and we are confident that it will materially add to the company’s EPS in the near future. We will also continue our focus on organic and inorganic investments in the industry.

The Free Cash Flow stood at INR 186 Mn impacted mainly due to one-offs in DSO and is likely to be on track for H2 with DSO.

Cyient would continue to focus on growth, improvement in operating margin and cash generation, thereby delivering on the promise of maximising value for the shareholders.”

• Business Performance & Outlook (1/3)

Aerospace & Defense

Aerospace & Defense business unit had a de-growth of 0.1% QoQ and growth of 1.6% YoY driven by slowdown in business across two key clients. We expect the slow down to be short term and the business to normalize towards the end of Q2. Our digital solutions offerings are gaining momentum and we see increased interest among several of our clients. Our Outlook for Q2 remains positive, we expect a single digit growth through the quarter driven by growth in key clients and manufacturing business.

Communications

The Communications BU witnessed a de-growth of 10.3% QoQ and 17.0% YoY driven by decreased work volume across two key clients. We expect the momentum in t to return through the year. The cost optimization measures taken helped us deliver a good margin growth through the quarter. We expect single digit growth in Q2 driven by growth in Europe and North America as we continue to support large carriers in fibre network rollout.

Rail

The Transportation BU had a de-growth of 1.6% QoQ and growth of 2.8% YoY primarily driven by growth in rolling stock segment and new wins with key clients. We expect the signaling segment growth to remain subdued owing to program cyclicalities in key geographies. The BU continues to make significant progress in identifying opportunities and launching new solution offerings in areas such as Augmented Reality, Smart Asset Maintenance & Cab Alarm Notification. We expect a single digit growth through the next quarter.

• Business Performance & Outlook (2/3)

E&U

Energy and Utilities BU is a newly formed business unit that brings together the synergy across both the segments. We expect to see growth through combine synergy as we go through the year. The BU witnessed a degrowth of 5.7% QoQ and 7.3% YoY driven by slowdown in key accounts. The BU expects a strong growth through the second half of the year backed by growth in mining and utilities segment.

MTH

The Medical Technology and Healthcare (MT&H) business unit (BU) delivered a growth of 0.4% QoQ and 23% YoY driven by strong growth across both existing and new accounts. The BU is witnessing continued growth across all segments and is expected to deliver a double digit growth through Q2 backed by strong order pipeline in services and solutions and growth in key accounts.

Semiconductor

The Semiconductor BU witnessed a de-growth of 7.8% QoQ and 2.2% YoY primarily driven by low work volume from key clients. The downturn in the industry is resulting in consolidation and project pushout's for most clients. However, our pipeline for new opportunities remains strong and we expect a moderate growth through our key accounts. We expect a mid single digit growth through the next quarter.

• Business Performance & Outlook (3/3) •

Portfolio

The Portfolio BU witnessed a de-growth of 6.5% QoQ and 11.4% YoY driven by de-growth in the geospatial segment. The challenge in the segment is expected to continue through the year with growth in emerging clients expected to be slower than anticipated. We expect a single digit growth through the next quarter driven by growth in key clients.

Consolidated Financial Metrics

Key Operational Metrics (₹Mn)

₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19	Growth %	
				QoQ	YoY
Revenue	10,890	11,629	10,800	-6.4%	0.8%
EBIT	723	701	1,031	3.1%	-29.9%
EBIT Margin	6.6%	6.0%	9.5%	61 bps	-291 bps
Reported PAT	905	1,768	825	-48.8%	9.7%
Normalised PAT	905	1,881	825	-51.9%	9.7%

₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
Reported PAT	905	1,768	825
<i>Exceptional Items</i>			
Divestment in IASI			
RSU Fair valuation			
One off employees cost		77	
Insights LLC dissolution		35	
Normalised PAT	905	1,881	825
<i>Reported EPS (₹)</i>	<i>8.2</i>	<i>15.7</i>	<i>7.3</i>
<i>Normalised EPS (₹)</i>	<i>8.2</i>	<i>16.7</i>	<i>7.3</i>

Consolidated Financial Metrics

Key Operational Metrics (\$Mn)

\$ Mn	Q1 FY20	Q4 FY19	Q1 FY19	Growth %	
				QoQ	YoY
Revenue	156.6	165.2	160.8	-5.2%	-2.6%
EBIT	10.4	10.0	15.4	4.4%	-32.3%
EBIT Margin	6.6%	6.0%	9.5%	61 bps	-291 bps
Reported PAT	13.0	25.1	12.3	-48.2%	5.9%
Normalised PAT	13.0	26.7	12.3	-51.3%	5.9%

Foreign Exchange Rate

\$/?	Q1 FY20	Q4 FY19	Q1 FY19
Quarter Average	69.56	70.41	67.17
Quarter Closing	69.11	69.22	68.84

Consolidated Revenue Segmentation

By Geography (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Americas	55.4%	54.0%	52.5%
Europe, Middle East, Africa	28.1%	24.7%	24.6%
Asia Pacific (includes India)	16.4%	21.3%	23.0%

By Business Unit (%)¹

	Q1 FY20	Q4 FY19	Q1 FY19
Aerospace and Defense	38.8%	36.7%	37.2%
Transportation	11.3%	10.9%	10.7%
Energy and Utilities	13.2%	11.6%	10.1%
Semiconductor	4.9%	5.0%	4.8%
Medical and Cons. Electronics	3.6%	3.4%	2.8%
Communications	19.1%	20.2%	22.4%
Portfolio	9.2%	11.3%	11.9%
Others	0.0%	0.9%	0.0%

¹ Including DLM split across BUs

Consolidated Operations Metrics

Account Receivables (in Days)

	Q1 FY20	Q4 FY19	Q1 FY19
DSO Total	104	88	89
- Billed	74	61	63
- Unbilled	30	27	26

Order Intake (\$ Mn)²

	Q1 FY20	Q4 FY19	Q1 FY19
Cyient Services	134	185	153
DLM	21	11	17
Group OI Total	155	196	170

² 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 & Employee Metrics

Top Clients: Revenue Contribution (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Top 5	32.3%	31.8%	33.7%
Top 10	44.1%	43.0%	46.0%

No. of Million \$ Clients

	Q1 FY20	Q4 FY19	Q1 FY19
20 Mn+	4	4	4
10 Mn+	12	13	11
5 Mn+	28	29	25
1 Mn+	86	86	66
New Customers Added	20	5	20

Employee

	Q1 FY20	Q4 FY19	Q1 FY19
Total Manpower	15,043	15,084	15,056
Technical & Pool	13,912	13,916	13,851
Non-Technical	373	393	419
Support	758	775	786
Voluntary Attrition	17.4%	19.9%	16.9%
Involuntary Attrition	4.3%	4.6%	3.4%

Consolidated Other Financial Metrics (1/2)

Other Income (₹ Mn)

	Q1 FY20	Q4 FY19	Q1 FY19
Income from Investments	121	148	124
Fx Gain/(Loss) - Realised	108	-6	-46
Fx Gain/(Loss) - Unrealised	24	126	30
Others	30	521	62
Total	282	789	170

Capex (₹ Mn)

	Q1 FY20	Q4 FY19	Q1 FY19
Capital Expenditure	235	407	397

Cash Position (₹ Mn)

	Q1 FY20	Q4 FY19	Q1 FY19
Cash & Cash Equivalent	8,213	9,984	10,999
Cash & Bank balances	2,835	3,290	4,220
Investments in FDs	5,308	6,415	5,886
Investment in MFs	70	278	893

• Consolidated Other Financial Metrics (2/2)

Outstanding Forward Contracts (Mn of respective currencies)¹

	Q1 FY20	Q4 FY19	Q1 FY19
USD / INR	66.1	64.3	59.1
EURO / INR	28.1	28.6	27.4
GBP / INR	7.9	8.4	8.8
AUD / INR	22.8	22.5	21.3

¹ Forward contracts is taken only for services business

Consolidated Income Statement

₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
Operating Revenue	10,890	11,629	10,800
Cost of Revenue	7,140	7,524	7,100
Direct Salary and related costs	5,143	4,989	4,835
Direct Travel	206	243	245
Sub contract and others	872	1,106	929
Delivery Management	0	244	233
Material cost	920	941	859
Gross profit	3,750	4,105	3,700
Sales and Marketing	611	643	662
General and Administration	1,693	1,711	1,721
Depreciation and Amortization	442	261	285
EBIT	1,005	1,490	1,031
Financial expenses	134	87	82
Other income	282	789	170
One off item	0	112	0
Profit before tax (PBT)	1,152	2,080	1,119
Tax	254	318	304
Associate & Minority Profit	6	7	10
Profit After Tax (Reported)	905	1,768	825
Profit After Tax (Adjusted)	905	1,880	825
Basic EPS (₹) (Reported)	8.2	15.7	7.3
Basic EPS (₹) (Adjusted)	8.2	16.7	7.3
Gross Margin	34.4%	35.3%	34.3%
EBIT Margin	9.2%	12.8%	9.5%
Effective Tax Rate	22.0%	15.3%	27.1%
PAT Margin (Reported)	8.1%	14.2%	7.5%
PAT Margin (Normalised)	8.1%	15.1%	7.5%

Consolidated Balance Sheet

₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
EQUITY AND LIABILITIES			
Shareholders' funds			
- Share capital	550	552	565
- Reserves and surplus	24,314	25,070	23,845
Total - Shareholders' funds	24,864	25,622	24,410
Non-current liabilities			
- Long-term borrowings and liabilities	4,015	1,813	2,307
- Long-term provisions	1,185	1,157	998
- Deferred tax liabilities (net)	350	405	320
Total - Non-current liabilities	5,550	3,375	3,625
Current liabilities			
- Short-term borrowings	2,267	2,137	1,980
- Trade payables	4,354	3,712	4,225
- Other current liabilities	3,611	3,333	2,995
- Short-term provisions	885	713	706
Total - Current liabilities	11,117	9,895	9,906
TOTAL - EQUITY AND LIABILITIES	41,531	38,892	37,941
ASSETS			
Non-current assets			
- Property, plant and equipment	8,677	5,563	5,386
- Goodwill	5,187	5,257	5,344
- Non-current investments	334	267	93
- Deferred tax assets (net)	366	294	360
- Other non-current assets	1,818	1,658	1,817
Total - Non-current assets	16,382	13,039	13,000
Current assets			
- Inventories	2,214	1,833	1,471
- Current investments	70	278	893
- Trade receivables	8,821	8,137	7,672
- Cash and cash equivalents	8,143	9,705	10,106
- Other current assets	5,901	5,900	4,799
Total - Current assets	25,149	25,853	24,941
TOTAL ASSETS	41,531	38,892	37,941

Consolidated Cash Flow Movement

₹ Mn	Q1 FY20	Q4 FY19	Q1 FY19
Free cash flow, after non-operating income	186	402	445
Long term investments	-401	-995	-1,273
Equity	10	-	2
Borrowings	8	-75	878
Exceptional item - Cash RSU	0	-	-117
Dividends	-1,187	-6	-
Buyback of Shares	-386	-1,631	0
Cash on acquisitions	-	-	127
Others	-	-20	-
Net change in cash	-1,770	-2,325	62
Opening cash position	9,983	12,308	10,937
Closing cash position	8,213	9,983	10,999
Free cash flow to EBITDA (Group)	10.8%	15.8%	30%

Cyient Metrics (Excluding Design Led Manufacturing)

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

By Geography (%)¹

	Q1 FY20	Q4 FY19	Q1 FY19
Americas	58.8%	57.0%	55.3%
Europe, Middle East, Africa	26.9%	26.4%	26.3%
Asia Pacific (including India)	14.3%	16.7%	18.4%

¹ India is included in APAC (from EMEA earlier), now restated for previous periods

By Business Unit (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Aerospace and Defense	35.1%	33.9%	34.2%
Transportation	12.8%	12.3%	12.1%
Energy and Utilities	12.3%	13.1%	11.4%
Semiconductor	5.5%	5.6%	5.5%
Medical and Cons. Electronics	2.3%	2.0%	1.8%
Communications	21.6%	22.3%	23.9%
Portfolio	10.4%	10.8%	11.2%

Onsite/offshore Split (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Onsite	56.5%	57.3%	58.1%
Offshore	43.5%	42.7%	41.9%

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

Currency Mix (%)

	Q1 FY20	Q4 FY19	Q1 FY19
USD	57.5%	56.2%	57.1%
EURO	14.4%	14.6%	12.0%
GBP	8.5%	10.0%	8.4%
AUD	8.4%	10.3%	13.0%
Others	11.1%	8.9%	9.5%

Utilization (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Utilization	NA*	77.8%	75.0%

Account Receivables (in Days)

	Q1 FY20	Q4 FY19	Q1 FY19
DSO Total	105	88	88
- Billed	71	58	59
- Unbilled	34	30	29

**Due to SAP Hana implementation, the utilization metric is under testing and will be available from next quarter. Significant volume drop in Q1 has impacted margins by 160 bps, which is recoverable in next quarter. This indicates Utilisation drop in current quarter, which will significantly improve in next quarter.*

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

Top Clients: Revenue Contribution (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Top 5	36.5%	35.7%	37.9%
Top 10	49.8%	48.4%	51.8%

No. of Million \$ Clients

	Q1 FY20	Q4 FY19	Q1 FY19
20 Mn+	4	4	4
10 Mn+	12	13	11
5 Mn+	24	26	25
1 Mn+	71	70	65
New Customers Added	20	5	20

Employee

	Q1 FY20	Q4 FY19	Q1 FY19
Total Manpower	14,398	14,424	14,411
Technical & Pool	13,276	13,445	13,405
Non-Technical	370	204	220
Support	752	775	786

Cyient Metrics (Design Led Manufacturing)

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

Income Statement - Abridged (In ₹ Mn)¹

	Q1 FY20	Q4 FY19	Q1 FY19
Net Revenue	1,297	1,282	1,212
Direct Salaries & other costs	160	111	141
Material Cost	1,029	1,025	921
Gross Profit	108	146	150
SG&A	83	94	95
Depreciation & amortisation	29	24	25
EBIT	-4	29	30
Other Charges	18	34	16
Profit Before Tax	-22	-5	14

¹ Includes B&F Design Inc.

By Geography (%)²

	Q1 FY20	Q4 FY19	Q1 FY19
Americas	30.2%	30.4%	30.0%
Europe, Middle East, Africa	37.4%	11.2%	10.8%
Asia Pacific (including India)	32.4%	58.4%	59.2%

² India is included in APAC (from EMEA earlier), now restated for previous periods

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

By Business Unit (%)

	Q1 FY20	Q4 FY19	Q1 FY19
Aerospace and Defense	65.7%	59.2%	60.6%
Transportation	0.3%	0.0%	0.0%
Energy & Utilities	19.9%	0.0%	0.0%
Medical	13.4%	14.3%	11.1%
Communications	0.3%	3.1%	10.8%
Portfolio	0.4%	15.5%	17.4%
Others	0.0%	7.9%	0.0%

Currency Mix (%)

	Q1 FY20	Q4 FY19	Q1 FY19
USD	80.5%	74.8%	69.1%
EURO	3.0%	3.7%	2.5%
Othes	15.3%	21.6%	28.3%

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

No. of Million \$ Clients

	Q1 FY20	Q4 FY19	Q1 FY19
5 Mn+	4	3	0
2 Mn+	8	9	1
1 Mn+	15	16	1
New Customers Added	0	1	1

Key Operational Metrics

	Q1 FY20	Q4 FY19	Q1 FY19
Headcount	645	661	645
DSO (in Days)	100	106	114
DPO (in Days)	133	106	141
Customer Advance (in Days)	48	46	43
Inventory (in Days)	120	135	136
Total Cash (₹ Million)	93	596	330

Cyient (Estd: 1991, NSE: CYIENT) provides engineering, manufacturing, geospatial, digital, networks, and operations management solutions to global industry leaders. Cyient leverages the power of digital technology and advanced analytics capabilities, along with domain knowledge and technical expertise, to solve complex business problems. As a Design, Build, Operate and Maintain partner, Cyient takes solution ownership across the value chain to help clients focus on their core, innovate, and stay ahead of the curve.

Relationships form the core of how Cyient works. With more than 15,000 employees in 21 countries, Cyient partners with clients 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 defence, medical, telecommunications, rail transportation, semiconductor, utilities, industrial, energy and natural resources.

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.; B&F Design Inc.; New Technology Precision Machining Co. 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 (HAL JV)

The income statement and cash flow provided is in the internal MIS format. MIS format is different from the income statement published as part of the financial results, which is as per the statutory requirement.



THANK YOU