INVESTOR PRESENTATION

Q2 FY19

Confidentiality Statement

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Highlights for the Quarter	Financial Update	Business Update
• Financial Highlights • Business Highlights • Awards & Recognition • CSR Activities	• Revenue • Income statement update • Other Income & Hedge • Cash generation	• Significant highlights • M&A update • Industry outlook • Future outlook

Annexures

Highlights for the Quarter

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

Financial Update

- Revenue
- Income statement update
- Other Income & Hedge
- Cash generation

Business Update

- Significant highlights
- M&A update
- Industry outlook
- Future outlook

Annexures

Highlights for the Quarter (1/3)

Revenue

12.5% YoY / **5.1%** QoQ

Quarterly revenue at $**168.9**Mn

Operating Profit Growth

23.5%

QoQ

Net Profit Growth

54.0%

QoQ

Financial Highlights for Quarter

- **Highest ever PAT Growth; 54% QoQ & 14% YoY**
- **Highest ever quarter on revenue ($168.9Mn), Operating profit (₹1,626Mn) and PAT (₹1,271Mn)**
- **Constant currency revenue growth of 6.5% QoQ and 14.5% YoY**
- Service margin expansion of 212 bps QoQ at 15.3%, led by improved utilization of 78%, up 294 bps; Group margin expansion of 151 bps QoQ at 13.7%
- Highest ever Services revenue at $146Mn; 8.7% YoY growth; DLM growth: 44.8% YoY
- Cash flow conversion at 72%; H1 at 55% at group level and 45% for services
- Highest ever cash balance of ₹12Bn after payment of final dividend
- DSO at 82 days, 7 days lower QoQ
- **Company declared an interim dividend of ₹6.0/Share - highest ever**

Highlights for the Quarter (2/3)

Transportation , Communication and I&ENR revenue growth of **~14%, ~12%** & ~**8%** YoY (in $)	**NAM, APAC & EMEA & revenue growth of** **~17%, ~11% & ~6%** YoY
CSS won its first order from Indian Defence	NBA program in full swing
$190Mn opportunity identified	7 new projects added

Business Highlights for the Quarter

- Cyient Receives AS9100 Rev D and ISO 9001:2015 quality certifications for Melbourne (FL) Facility
- Successfully completed the TL 9000 2nd surveillance audits for Hyderabad and Paragould locations
- Cyient - Bluebird JV wins its first order from Indian Army for SpyLite Mini UAV
- Experience centre at Blacktown, Australia
- Extending Pune Facility to accommodate growth in one key customer

Highlights for the Quarter (3/3)

Awards & Recognition

- Cyient recognized as Top IT/ITES Exporter Award in the ₹1,000+ crore export category
- Mr. BVR Mohan Reddy conferred with a Lifetime Achievement Award at the 26th HYSEA Awards
- “Major Contender” in the Everest Group Verification & Validation Engineering Services PEAK Matrix™ 2018
- Featured in the top 20 most promising Aerospace Tech Solutions Providers list by CIO Review

CSR Activities

- Continue to support 25 Government Schools - supporting underprivileged children
- Cyient Foundation participated in the Haritha Haram a mega plantation drive in the state of Telangana
- Added seven more Cyient Digital Centre that provides digital educational resources taking the total to 67 providing digital literacy to 27,000+ children

Highlights for the Quarter

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

Financial Update

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

Business Update

- Significant highlights
- M&A update
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Revenue for Q2 FY19

Revenue	Q2FY18	Q3FY18	Q4FY18	Q1FY19	Q2 FY19	QoQ	YoY
$ Mn	150.1	152.0	164.6	160.8	**168.9**	5.1%	12.5%
₹ Mn	9,654	9,834	10,618	10,800	**11,870**	9.9%	23.0%

Business Units	Services			Group			Geography	
	$ Mn	QoQ	YoY	$ Mn	QoQ	YoY	NAM	$87.7
A&D	49.3	1.0%	5.7%	64.1	7.4%	26.9%		4.0% QoQ
Comms	35.0	2.6%	11.9%	36.4	1.0%	-5.6%*		16.7% YoY
U&G	20.8	2.7%	-2.4%	20.8	2.7%	-2.4%	EMEA	$40.2
Transportation	17.2	-0.4%	13.9%	17.2	-0.4%	13.9%		1.7% QoQ
I&ENR	12.5	4.0%	8.1%	16.3	7.6%	11.7%		5.6% YoY
SIA	8.4	8.2%	53.0%	8.4	8.2%	53.0%	APAC (incl. India)	$41.0
MT&H	2.8	9.1%	-3.6%	5.6	23.8%	29.0%		11.0% QoQ
Total	**146.0**	**2.3%**	**8.7%**	**168.9**	**5.1%**	**12.5%**		11.2% YoY
CC Growth		*3.5%*	*10.2%*		*6.5%*	*14.5%*		

- Six out of Seven Business Units have grown QoQ with leading growth in I&ENR, U&G and Communication; DLM business grew 27.3%

**Planned exit of lower margin B2P in DLM is causing a YoY de-growth in the Communications business. This change is expected to improve the margins. The BU has a double digit growth in Services YoY and full year outlook for the services business is strong*

Income statement for Q2 FY19

All Figures in ₹ Mn	Q2 FY19	Q1 FY19	Q2 FY18
Revenue	11,870	10,800	9,654
Operating Profit	1,626	1,316	1,409
PAT	1,271	825	1,114
EPS (₹)	11.2	7.3	9.9

All Figures in %	Q2 FY19	Q1 FY19	Q2 FY18
Gross Margin	34.5%	34.3%	35.4%
Operating Margin	**13.7%**	**12.2%**	**14.6%**
Effective Tax Rate	29.8%	27.1%	28.1%
ETR (excl. one-offs)	*24.5%*	*27.1%*	*28.1%*
PAT Margin	**10.2%**	**7.5%**	**11.1%**

Operating profit Movement

- Service margin expansion of 212 bps QoQ at 15.3%
  - Tailwinds of rupee depreciation (~80 bps), improved utilization and offshoring (~130 bps), SG&A absorption (~100 bps) offset by headwinds of wage hike impact (~100 bps) *Please refer slide 11*
- Group margin expansion of 151 bps QoQ at 13.7%

Profit After Tax Movement

- PAT grew 54% QoQ aided by strong growth in operating profit (~24%) and other income (~233%) on account of "export incentives on Merchandise and Engineering and related services in DLM and Services ("Incentives")[2] (~₹234Mn) and unrealized gains on forex restatement (₹207Mn)
- ETR @29.8% higher due to one off[1] and Incentives[2]; Excluding the above, the ETR is 24.5%, down 260 bps QoQ
- ETR for FY19 excluding one off[1] and Incentives[2] is likely to be 23.6% down ~200 bps YoY
- We expect the benefits from Incentives to flow through in FY20 as well and ETR for FY20 is likely to be between 22% to 23%

[1]During the quarter, there was dividend received from a subsidiary company. This is eliminated on consolidation; however the tax expense on the same increased the ETR for the quarter by 4.4% and for the year by 1.2%
[2]During the year, company received Incentives of ₹234Mn which is taxed at ~35% and thereby increased the ETR for the quarter by 0.9% and for the year by 0.2%. Excluding the impact of the above, the ETR for the quarter is 24.5%

Operating margin bridge for Q2 FY19

Particulars	
OPM Q1 FY19 (Group)	12.2%
Add: DLM Impact	100 bps
OPM Q1 FY19 (excluding DLM)	**13.2%**
Headwinds	
Wage Hike	-100 bps
Tailwinds	
Forex - ₹ depreciation	80 bps
Utilization + Offshoring	130 bps
SG&A Absorption	100 bps
OPM Q2 FY19 (excluding DLM)	**15.3%**
Add: DLM Impact	-160 bps
OPM Q2 FY19 (Group)	**13.7%**

Other Income for Q2 FY19

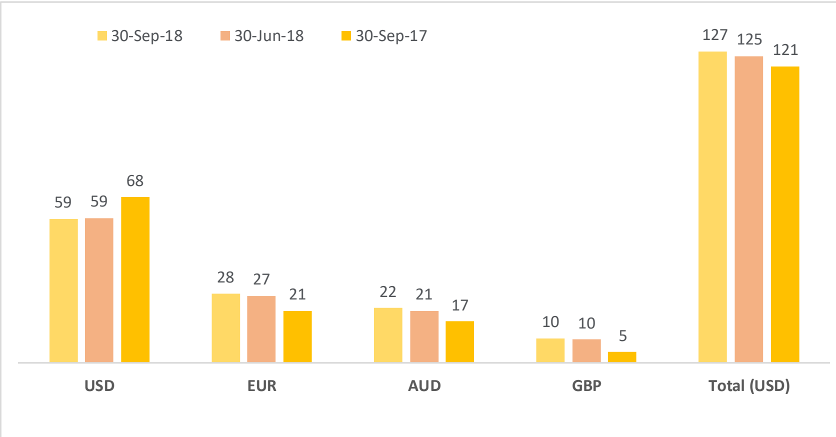
All Figures in ₹ Mn	Q2 FY19	Q1 FY19	Q2 FY18
Income from Treasury			
Interest on Invesmtents/Deposits	116	116	98
Dividend on Mutual Funds	14	8	10
Subtotal **(A)**	**130**	**124**	**108**
Realised gains/(losses) on Fwd Contracts (B)	**(62)**	**(46)**	**161**
Unrealised Fx gains/losses) (C)	**237**	**30**	**93**
Others			
Interest on IT Refunds	0	13	0
Reversal of Old provisions	10	11	15
Rents received	2	10	10
Incentives	234	0	0
Others	17	28	20
Others (D)	**263**	**62**	**45**
Grand total (A+B+C+D)	**568**	**170**	**406**

- Other income is higher by ₹397Mn due to benefits from Incentives (₹234Mn) and unrealized restatement gain (₹207 Mn). Benefit from Incentive to continue through H2 FY19 and FY20 at ~₹209Mn and ₹443Mn respectively
- Realized loss on forward contract due to rupee depreciation against USD and CAD
- As of 30th September, net monetary assets subject to restatement are ~$35Mn

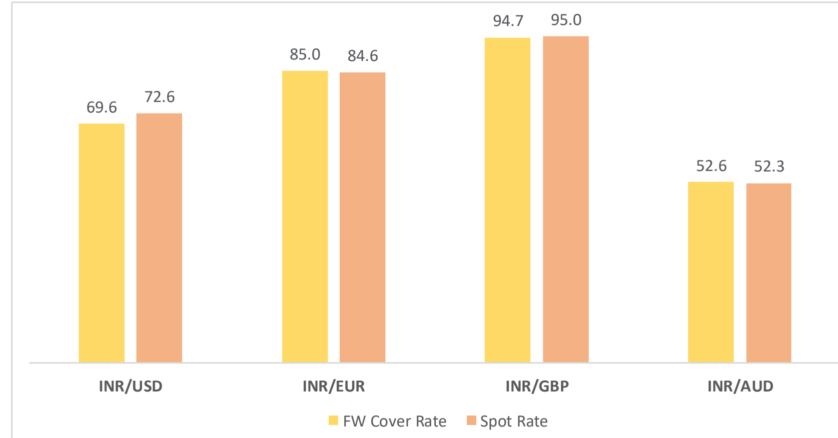
Currency Movement	Q2 FY19		Q1 FY19		Q2 FY18	
	Forward	Spot	Forward	Spot	Forward	Spot
USD	69.6	72.6	67.3	67.9	68.5	65.4
EUR	85.0	84.6	75.9	79.8	77.5	77.0
GBP	94.7	95.0	87.7	91.1	88.3	87.8
AUD	52.6	52.3	50.4	50.7	52.2	51.3
CAD	54.3	55.7	50.4	52.0	52.4	52.6

Hedge Book for Q2 FY19

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 30th Sep '18 in ~ $127 Mn
  - If the spot rate remains at same level (as at 30th Sep'18), forex loss on current forward contracts could be **~$ 2.5Mn for next 12 months; of which ~$2.8Mn in next six months**

Cash Generation for Q2 FY19

All Figures in ₹ Mn	Q2 FY19	Q1 FY19	Q2 FY18
Services			
Operating Profit	**1,466**	**1,273**	**1,389**
Other Income	520	157	405
Profit from Operations	**1,986**	**1,430**	**1,795**
DSO Movement (Receivables)	(284)	(1,123)	(562)
DSO Days (Services)	*84*	*88*	*82*
Other WC changes	62	539	10
Operating CF after WC changes	**1,764**	**846**	**1,243**
Less: Taxes	(436)	(142)	(424)
Less: Capex	(160)	(286)	(208)
Free Cash Flow generated (Services) - i	1,168	418	611
DLM			
Free Cash Flow generated (DLM) - ii	417	27	(191)
Group FCF (i+ii)	**1,585**	**445**	**420**
FCF to EBITDA Conversion	**72.3%**	**29.9%**	**23.1%**

- Cash and cash equivalents at a healthy levels of ₹12,110Mn after payment of final dividend ₹4.0/share for FY18
- DSO at 82 days, 7 days lower QoQ, due to improved collection
- Cash flow conversion at 72%; H1 at 55% at group level and 45% for services

Financial
Update

Business
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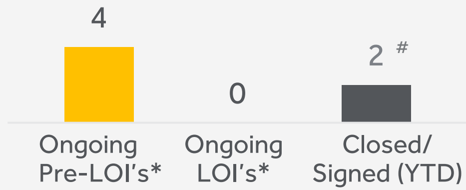
Significant Developments for Q2 FY19

- **Cyient Solutions & Systems Pvt. Ltd. ("CSS") – a 51:49 Joint Venture with Bluebird Aero Systems, Israel**
  - CSS won its first contract from Indian Army for supplying SpyLite mini UAV systems for high altitude aerial surveillance.
  - Identified $190M opportunity pipeline and in the process of finalising go-to-market strategy.
  - Currently in investment phase and expect to break-even in FY21
- **New Business Accelerator program (NBA)**
  - Seven new projects got added in Q2'FY19 taking the total projects to 19, to commence over H2'FY19
  - Seeing customer level traction in the products/solutions being developed under NBA, especially in the IoT space
  - The current NBA initiatives likely to accelerate Cyient's EPS growth by 1.5-3%, from FY21 (year 3 onwards)

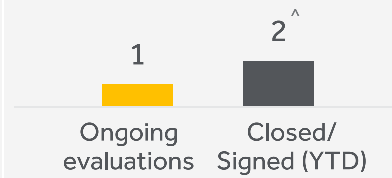
Investment Pipeline & Focus Areas for Q2 FY19

M&A



Vertical focused M&A strategy in key geographic markets; large acquisitions

Corporate Investments and JV



Medical tech, Communication Technology, IoT/M2M & Advanced avionics

**Pre LOI and LOI are the current balances* *# Ansem acquisition and acquisition of balance 49% in Cyient Insights* *^ includes Bluebird JV*

Broad inorganic strategy of focusing on new geography led expansion, new services and consolidation opportunities shall continue

Active Investment Pursuits – Specific focus areas

A&D
- IP led opportunities in systems, sub-systems and components in Avionics and Digital and MRO sub-systems

Comms
- Design and planning companies in small cells
- Next gen comm. solutions, Network analytics and optimization & remote mgmt

Medical
- Design to Build companies with OEM partnership in Diagnostic Imaging, In-vitro Diagnostic & Cardiology

Rail
- Signalling Application Engineering & Testing

I&ENR
- Digital solutions – Connected equipment, Asset Health Monitoring, Digital Capital Projects and Industrial automation integration

SI&A
- Systems Co. with focus on Embedded Systems & Software: Auto Expertise, Autonomous/Connected - HW & SW & IoT systems - HW /SW

DLM
- Vertical led design specializing in high-mix, low-medium volume assemblies, quick-turn prototypes and new product introduction (NPI)

Corp. Inv.
- Startup investments & strategic organic opportunities: JV/Collaboration, IP investment

Industry Outlook & Business Performance (1/4)

Aerospace & Defense

The Aerospace and Defense (A&D) industry is expected to witness strong growth driven by increase in commercial aircraft order backlog. The defence spending is expected to increase across most top spenders for the year. Overall, the industry is expected to witness a 5% growth, the same as previous year. The focus on innovation would continue with focus on intelligence and cyber security. We are seeing stability and moderate growth in our large accounts and good growth in new accounts. The business is expected to face seasonality challenges in Q3, however, the outlook for the year remains positive. The BU is expected to witness a mid to high single digit services revenue growth and double digit growth including DLM through the year driven by new wins in Avionics and DLM.

Communications

The communications industry continues to be a critical force for growth, innovation, and disruption across multiple industries. The Revenue growth for carriers is of critical importance in 2018. Revenue yield on data services (revenue per bit consumed) continues to decline as consumers use more and more data, with static or declining monthly bills. Hence, it is critical to identify rapid investment opportunities across the telecom portfolio—including 5G, IoT, and cross-industry partnerships (such as mHealth and mPayments), as well as a host of other growth opportunities. The NAM and APAC exhibited reasonable growth as the BU continues to support various programs around fixed line and wireless networks. The BU is expected to witness a double digit growth through the year with good momentum across all geographies and programs especially wireless networks around small cell design and deployment and fibre roll out in NAM.

Industry Outlook & Business Performance (2/4)

Utilities and Geospatial

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, renewables, mobility and smart metering continue to dominate capital investments, supported by operational processes to manage increasing volumes of data. The global Geospatial market also continues to grow as spatial dimension and locational context becomes critical for many diverse businesses and applications. There is an increasing focus on mobile solutions, as well as AR/VR, 3D, and indoor-mapping. The Business unit expects a strong growth over the next quarter backed by a strong pipeline and continued interest in solutions across all geographies. The focus on automation, IoT and analytics continues. Overall, the BU expects to be flat through the year

Transportation

The rail transportation industry is expected to witness strong growth driven by growth in rolling stock and signalling. The industry focus on consolidation continues. The focus on digitization and standardization is expected to continue throughout the year. The BU continues to make significant progress in efforts to leverage the opportunities presented by the rapidly evolving industry trends, especially around digitalization, consolidation and standardization. The outlook for the year continues to remain positive with demand from key clients expected to drive growth. The BU is expected to witness double digit growth through the year.

Industry Outlook & Business Performance (3/4)

Industrial, Energy and natural resources

The oil & gas industry continues to recover from last few years of weak prices, enforced capital discipline, portfolio realignments, and productivity efficiencies. The outlook for mining sector is positive with rising commodity prices. The sector is experiencing strong outlook of future orders and reduced operational costs. The investment in the sector is expected to improve with a significant number of large projects and expansions to go live from 2020. The BU continues to see strong pipeline in connected equipments and asset health monitoring solutions with new opportunities in both existing and new clients. The BU is expected to witness low double digit growth in US dollar terms for this financial year.

Semiconductor

The semiconductor industry grew by 4.4 percent in the second quarter of 2018. The growth occurred in all application markets and world regions. The growth was predominantly driven by growth in enterprise and storage segments. Overall, the demand for Artificial Intelligence (AI), Internet of Things (IoT), Level 3 autonomous vehicles, and high-throughput technologies such as 5G and Augmented/Virtual Reality (AR/VR) are driving increased demand across the semiconductor segment, particularly for processors, sensors and analog ICs. The BU has gained traction with new automotive customers and ramp up with existing semiconductor customers. The AnSem acquisition is further expected to scale service offerings and customer base. The BU expects high double digit growth for the year.

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. The growth is driven by increased demand for digital health solutions such as Artificial Intelligence (AI), Internet of Medical Things (IoMT), Big Data & Analytics, and Robotics. Further economic development across emerging markets is helping drive growth in the industry. Our focus on providing end-to-end product development services to strategic segments is resulting in improved results and forward indicators of growth. The BU expects a high single digit growth in services and high double digit growth including DLM through the year backed by strong sales pipeline and order intake.

Outlook for FY19

Status against initial outlook

Revenue Growth

- Double digit growth in the Services business
- Legacy DLM business expected to grow by ~20%
- Overall DLM growth expected to be ~35% including B&F

Operating Profit

- Double digit growth in operating profit in FY19
- OPM to be higher YoY by ~ 50 bps (If INR stays at 72/$ for the rest of the year without any cross currency headwinds)

Driver	Year beginning	Current view (Fcst)
Utilization, Offshoring & Other efficiency drivers	+ 200 bps	+ 100 bps
Fx Gains	0 bps	+ 150 bps
Indirect Cost Absorption	+ 70 bps	+ 50 bps
Wage Hike	- 170 bps	- 170 bps
Additional investment in NBA	- 100 bps	- 80 bps
Net Change in OPM	**0 bps**	**+ 50 bps**

- DLM margin will improve YoY: low single digit

Others

- Other Income higher from initial outlook due to gains from Incentives.
- Reported ETR likely to be 24.4% - 25.4% (Even with incremental PBT due to higher other income) and ETR (excl. dividend) is likely to be in the range of 23.2% - 24.2%

Net profit – High single to double digit growth

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

This document contains certain forward-looking statements on our future prospects. Although Cyient believes that expectations contained in these statements are reasonable, their nature involves a number of risks and uncertainties that may lead to different results. These forward-looking statements represent only the current expectations and beliefs, and the company provides no assurance that such expectations will prove correct.

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 Canada Inc.; Cyient Defense Services Inc.; Certon Software Inc.; Certon Instruments Inc.; B&F Design Inc.; New Technology Precision Machining Co. Inc.; Cyient Insights LLC; Cyient Benelux BV; Cyient Schweiz GmbH; Cyient SRO; AnSem NV; AnSem B.V.; Cyient AB, partly owned subsidiaries Cyient Solutions and Systems Private Limited; Cyient DLM Private Limited; joint venture Infotech HAL Ltd (HAL JV) and associate company Infotech Aerospace Services Inc (IASI) until 8th December 2017.

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