

FINANCIAL PERFORMANCE UPDATE

AJAY AGGARWAL
Chief Financial Officer





TOPICS ARE

**01. FY19 PERFORMANCE
RECAP**

**02. VALUE CREATION FOR
SHAREHOLDERS**

**03. FOCUS ON INVESTORS IN
THE COMING YEARS**



FY19 PERFORMANCE RECAP

CYIENT'S PERFORMANCE IN FY19 – A RECAP

REVENUE

10.1% 

(in CC)

\$607.4M
FY 18
(₹ 39,175 M)



\$660.0M
FY 19
(₹ 46,175 M)

YoY growth (INR) is 17.9%

OPTG PROFIT

17.3% 

₹5,492M
FY 18



₹6,443M
FY 19
(\$91.9M)

NET PROFIT*

14.0% 

₹4,296M
FY 18



₹4,898M
FY 19
(\$69.8M)

FCF

Highest ever

₹2,707M
FY 18



₹3,770M
FY 19
(\$53.9M)

DLM positive FCF (₹111 Mn)

RoCE

28.0 bps 

23.7%
FY 18



24.0%
FY 19

ETR

270 bps 

25.7%
FY 18



23.0%
FY 19

INITIATIVES TAKEN IN FY19 TO INCREASE SHAREHOLDERS RETURNS



₹ 400 Cr

Total return to
the shareholders
in INR Cr in FY19



82 %

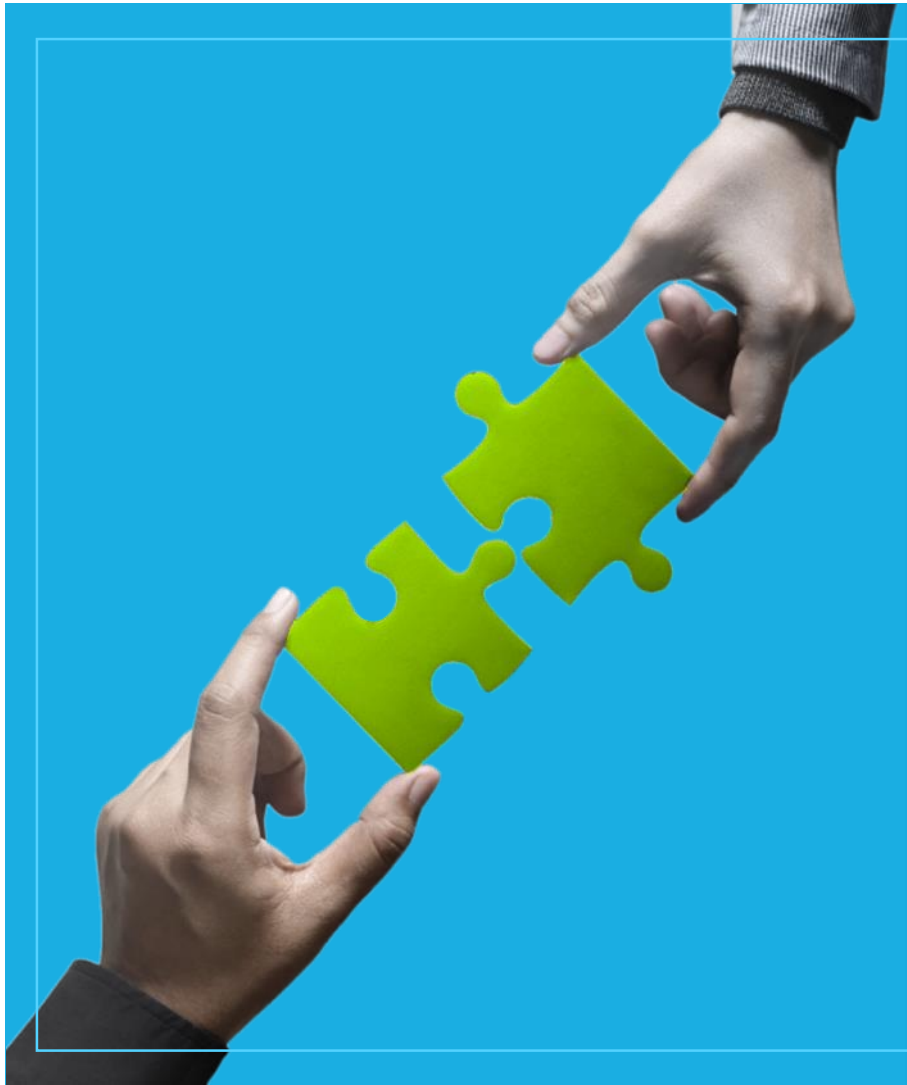
Payout Ratio
(post tax) to the
shareholders in FY19



₹ 15 Per Share

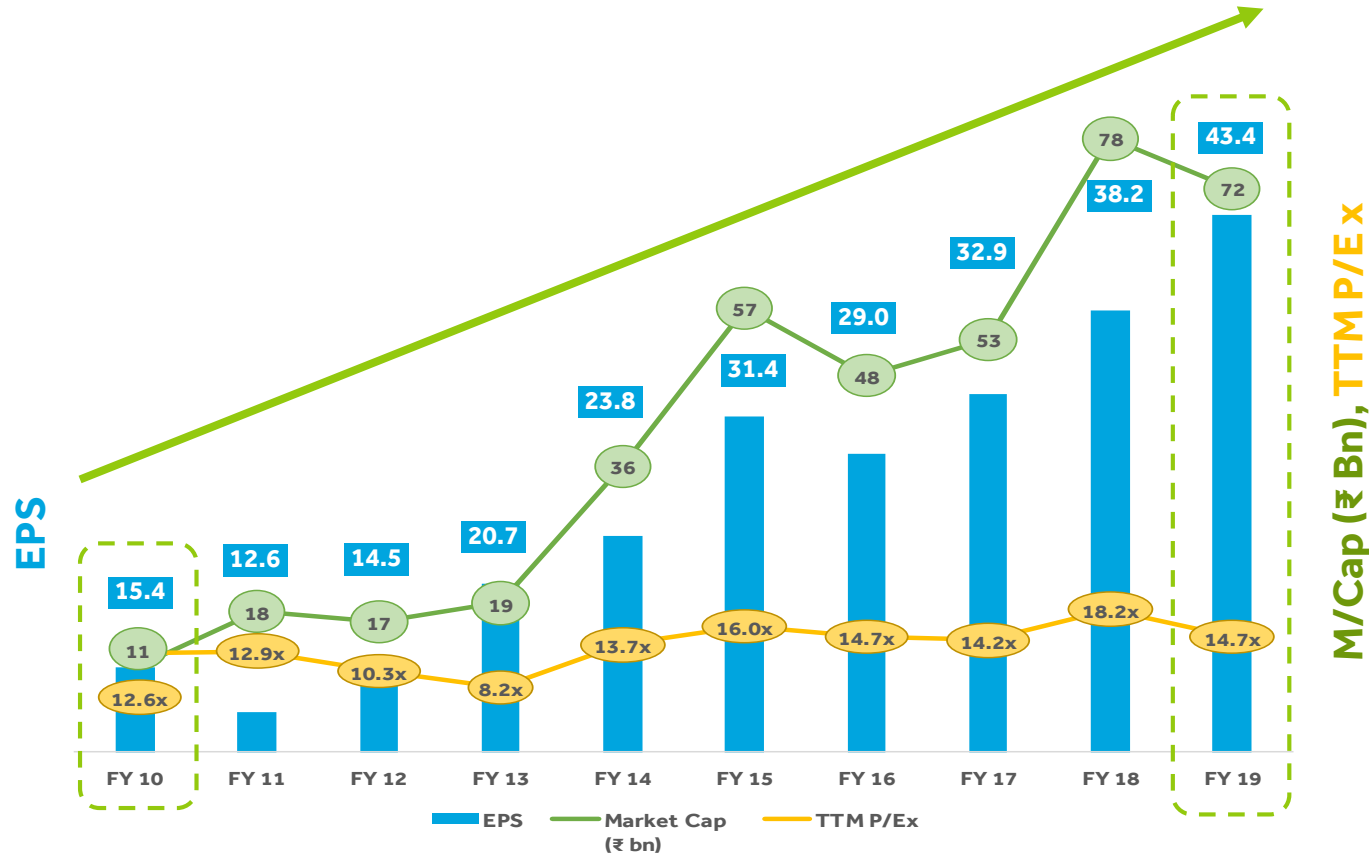
Highest Dividend Per
Share – Highest ever
(INR 13 in FY18)

Increase Dividend / Shareholders return in FY19 based on ISAT Survey 2018 feedback



VALUE CREATION FOR SHAREHOLDERS

CYIENT HAS A LONG HISTORY OF VALUE CREATION FOR ITS SHAREHOLDERS



> \$1 Bn

MARKET CAP

Last 5-10 years,
return of 15-20%

> 6x

MARKET CAP

From FY10 levels

100%

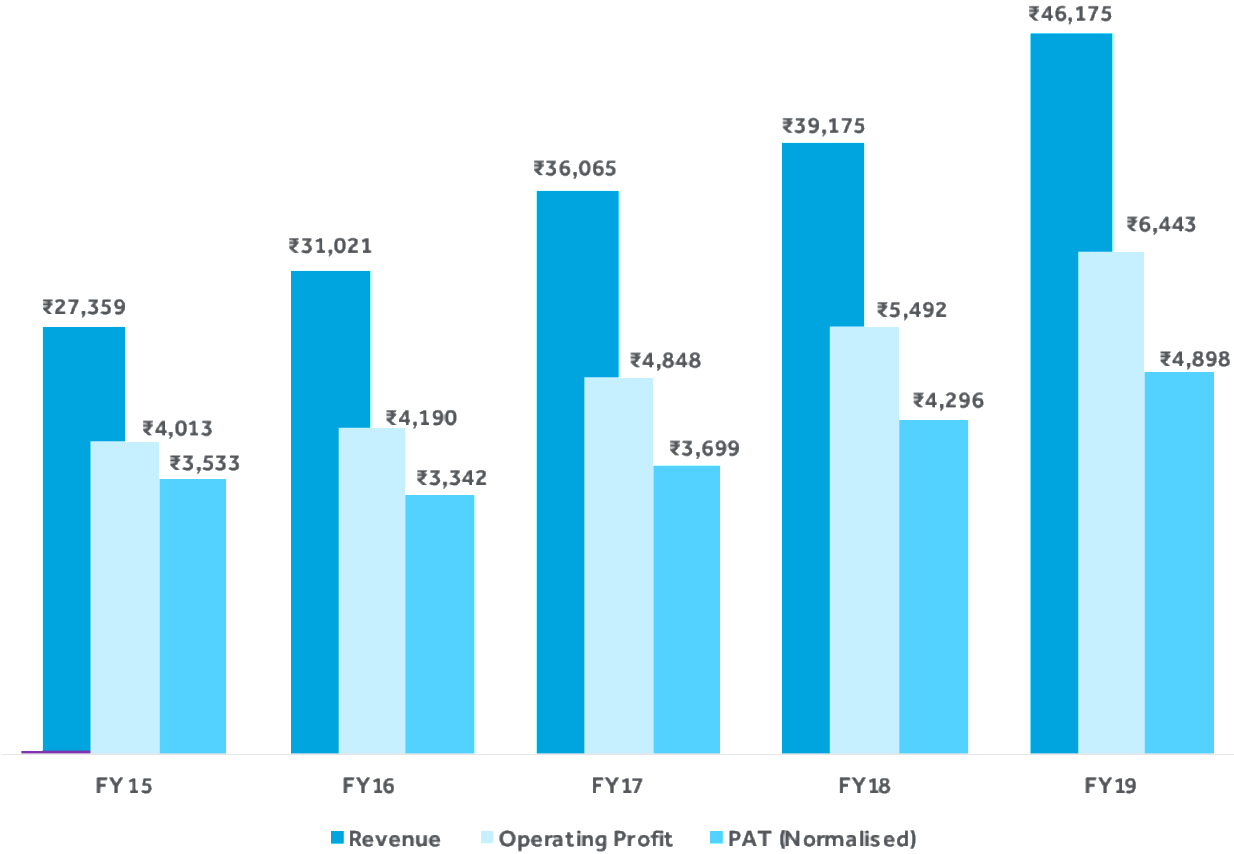
**Analyst
'Buy + Hold' rating**

Thank you for your
confidence

CONSISTENT PERFORMANCE AND GROWTH TRAJECTORY IN LAST 5 YEARS

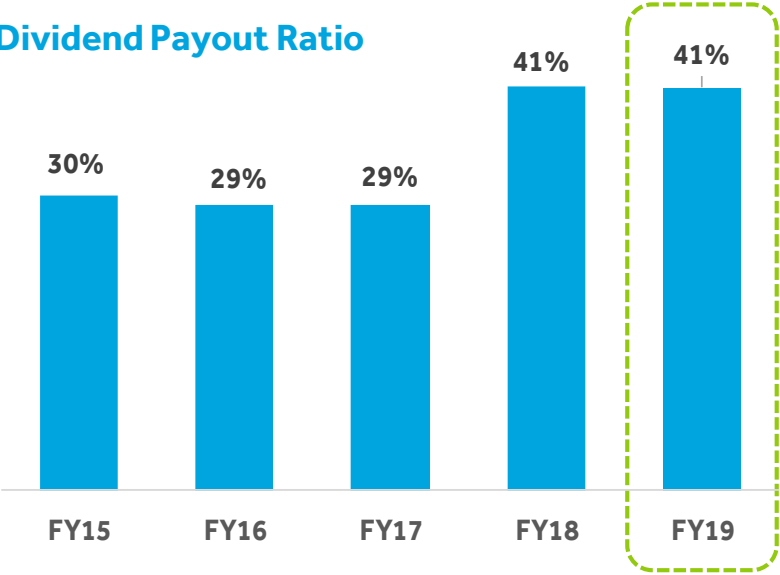
5 year CAGR

REVENUE
16% (₹)
13% (\$)
OPTG PROFIT
~10%
PAT (Normalised)
13%

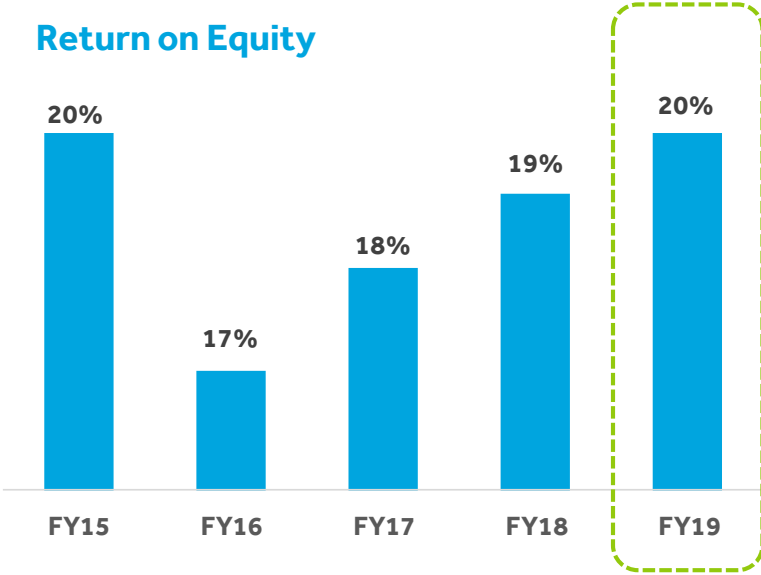


LONG TERM APPROACH HAS DELIVERED STRONG SHAREHOLDER RETURNS OVER THE LAST 5 YEARS

Dividend Payout Ratio



Return on Equity



Year	FY15	FY16	FY17	FY18	FY19
DPS (₹)	8.0	7.0	8.0	13.0	15.0
EPS (₹)	31.5	29.9	32.9	38.2	43.4

~37%

PAY OUT

in last 3 years

Highest

RoE

in last 4 years

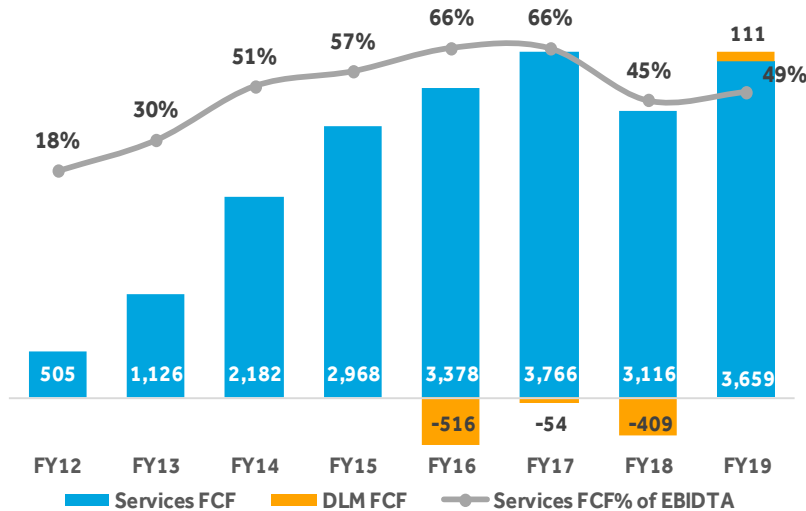
~2x

DPS

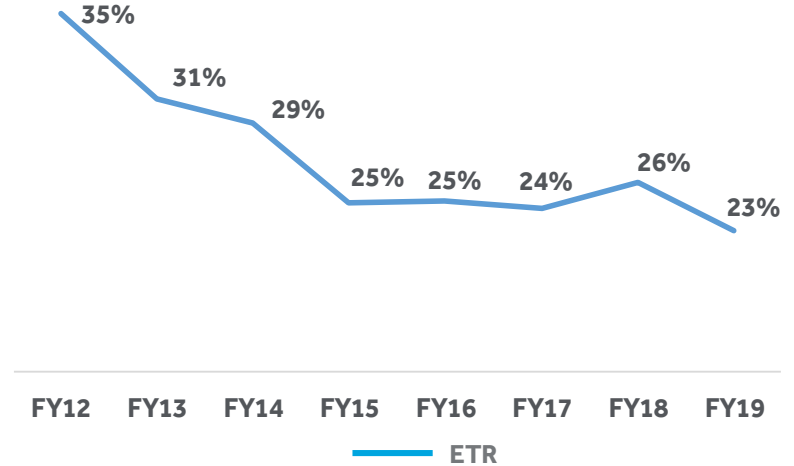
in last 5 years

CONTINUOUS FCF IMPROVEMENT AND TAX RATE EFFICIENCY TO **SUPPORT RETURNS**

Free Cash Flow and Conversion



Effective Tax Rate



~6x
FCF Increase
since 2012

driven largely by tax, SEZ improvements, DSO and capex optimisation

Positive FCF in DLM in FY19

GETR for FY19 is
23.0%

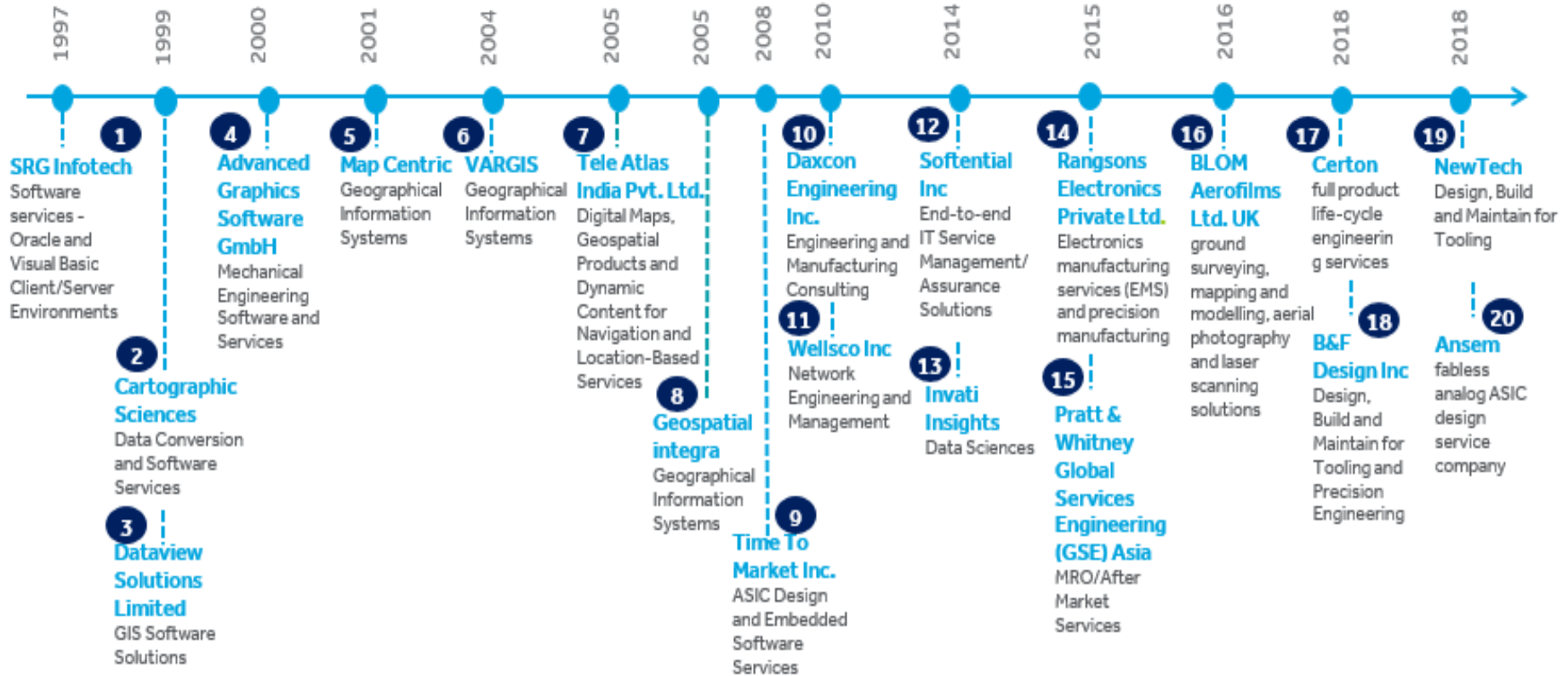
270 bps

LOWER THAN FY18

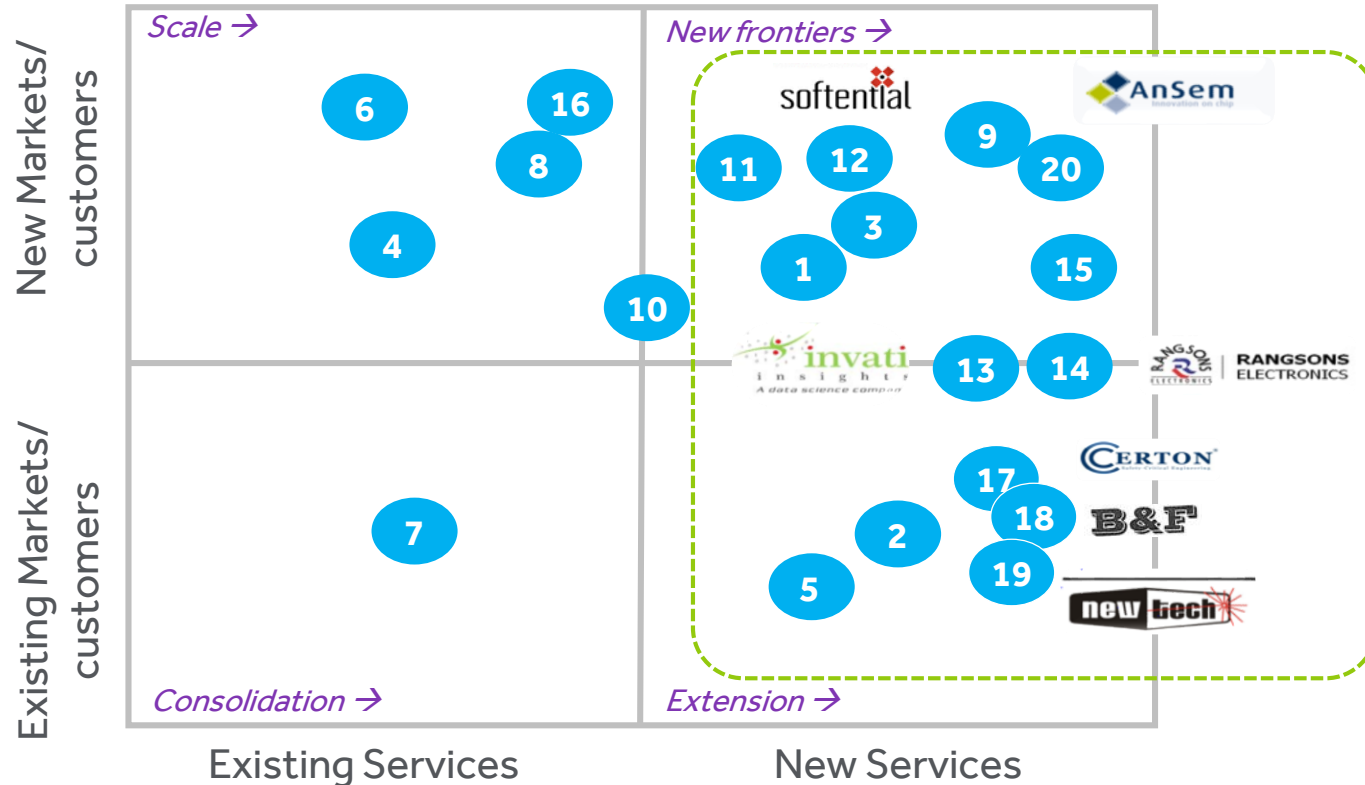
Tax Incentives

include R&D investments in NBA Program, SEZ optimisation and continued focus on monthly ETR monitoring

CYIENT HAS MADE 20 ACQUISITIONS SINCE ITS INCEPTION



RECENT ACQUISITIONS ALIGNED WITH S3 STRATEGY AND A PRUDENT FRAMEWORK IN PLACE FOR **FUTURE INVESTMENTS**

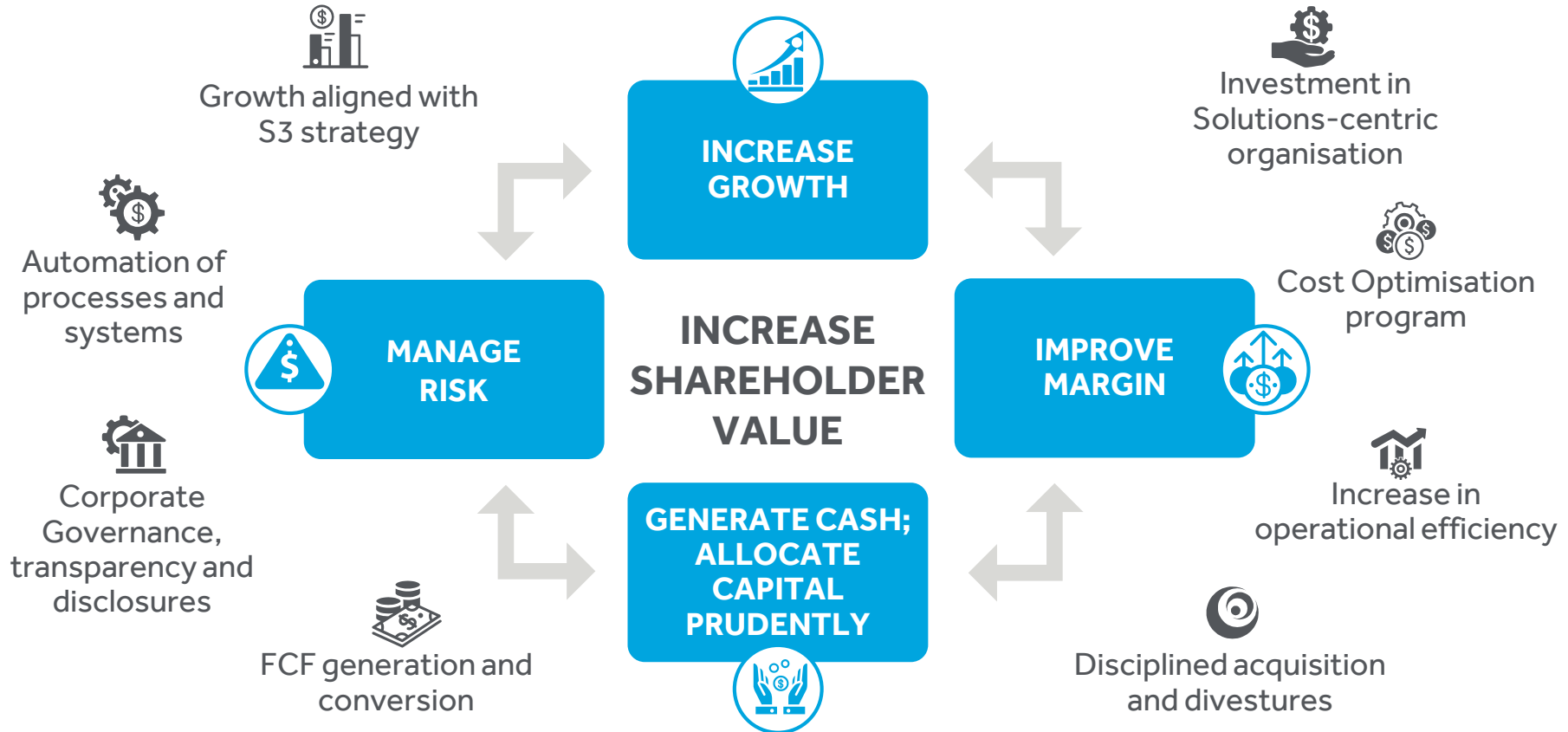


- Learning from performance of past investments analysed and implemented
- Stringent criteria for target evaluation;
- Funds available for investment not a constraint



FOCUS ON INVESTOR RETURNS IN THE COMING YEARS

CONTINUE TO FOCUS ON A BALANCED GROWTH IN TOP AND BOTTOM LINE WITH **CAPITAL EFFICIENCY AND RISK MANAGEMENT**



SAVINGS PROGRAM IS ON-TRACK – KEY INITIATIVES ON COST DISCIPLINE AND OPERATIONAL EFFICIENCY TO DELIVER RESULTS



People Supply Chain and Operating Model

- | | |
|--|--------------------------|
| ✓ ● Billability improvement | ✓ ● Profitability |
| + ● Bench optimization | ✓ ● Chargeability |
| ✓ ● Pyramid reshaping | |
| ✓ ● SOC improvement | |
| ✓ ● Cost of delivery management | |
| ✓ ● Senior IC optimization | |
| + ● Shoring Optimization | |
| ● Contractor cost optimization | |
| ● Grade compensation harmonization | |
| ● Productivity improvement | |
| + ● Training hours optimization | |



Sales and Marketing

- ✓ ● Non-HC marketing spend analysis
- ✓ ● Sales productivity (Non-Quota Carrying)
- ✓ ● Account management productivity
- ✓ ● **Marketing headcount analysis**
- ✓ ● Sales productivity (Quota carrying)
- + ● Sales management SOC optimization
- Non-HC spend outsourcing (Make vs Buy)
- + ● EE/EN/NN analysis



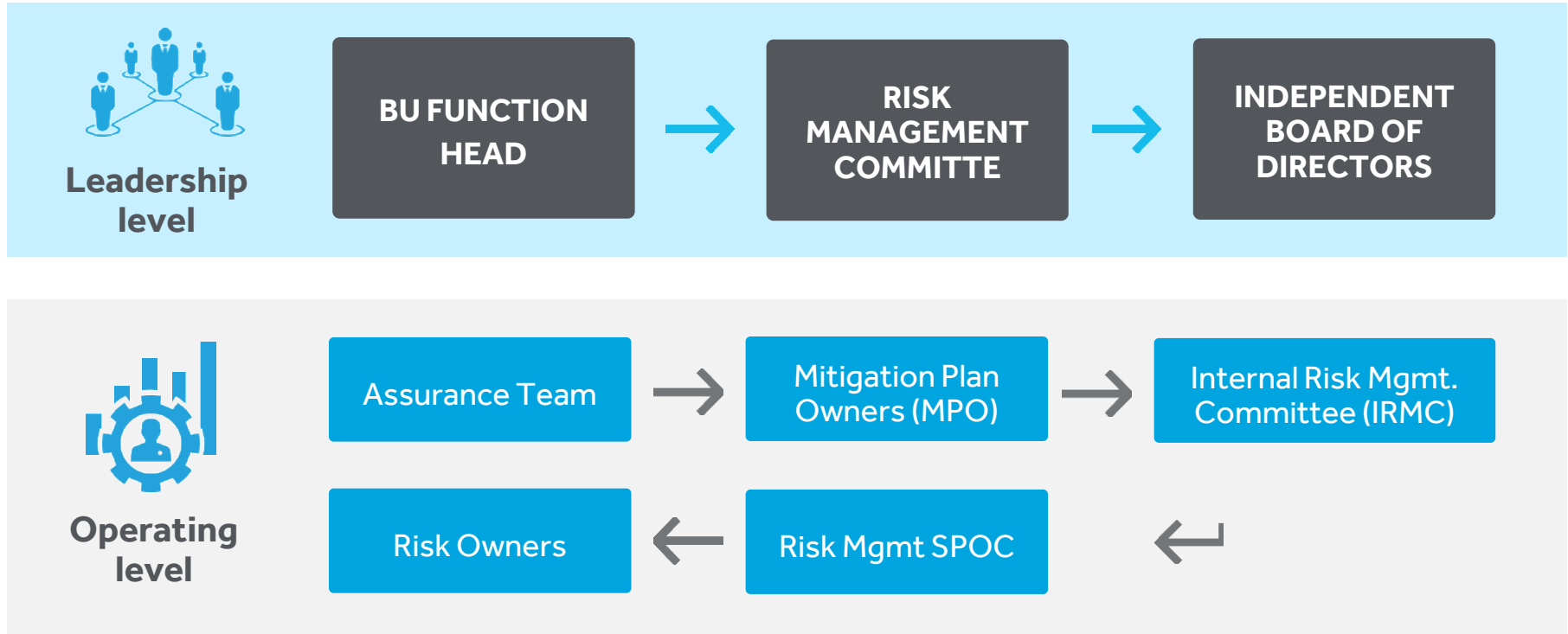
G&A

- ✓ ● **G&A HC optimization**
- ✓ ● **Travel and foreign allowance review**
- ✓ ● Power and fuel optimization
- ✓ ● Rent optimization
- + ● H/W and S/w AMCs rationalization
- Recruitment cost rationalization
- Legal Entity Optimization

Value unlock estimated from **high potential cost optimisation levers** across organisation

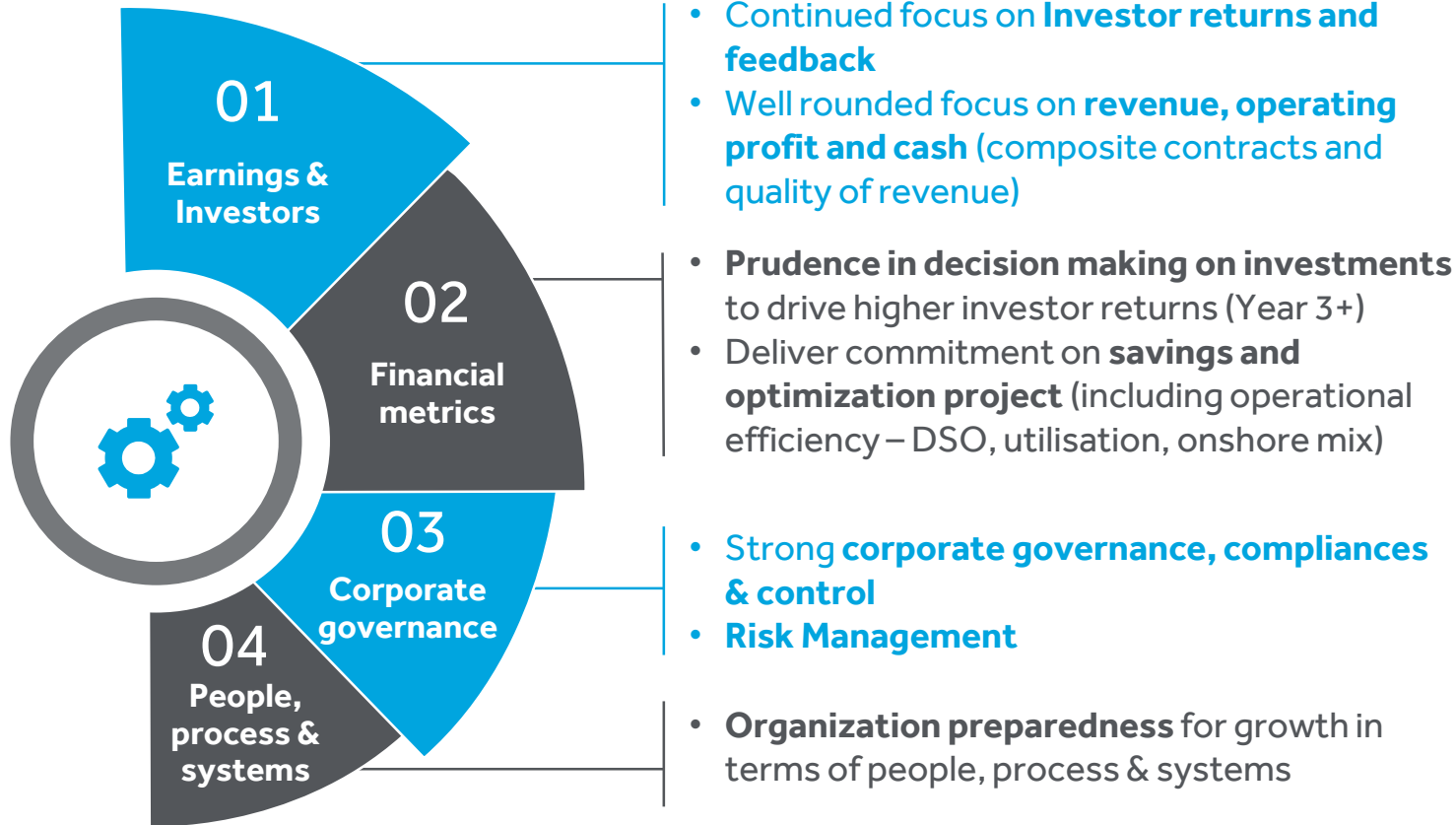
Focus on designing the organisation for **sustainable and not one-time outcomes**

STRONG GOVERNANCE TO SUPPORT VALUE CREATION ALIGNING WITH THE INTEREST OF **KEY STAKEHOLDERS**



Cyient ensures that **risk management culture is imbibed & institutionalised at all levels** across organisation

CLEAR PATH TO ACHIEVE TARGETS – CYIENT WELL-POISED FOR PROFITABLE & SUSTAINABLE **GROWTH IN COMING YEARS**



Significant value for shareholders with long term horizon

THANK YOU

