

**Cyient's FY26 annual report highlights strategic transformation, with a focus on three complementary growth vectors—DET (engineering services and tech-led transformation), DLM (engineering-led manufacturing), and the newly carved-out semicon business (IP-led, AI-driven silicon innovation). KTAs from the FY26 AR: 1) DET order intake grew 5% YoY in H2, supported by a sharpened GTM, record large-deal funnel and deeper key account traction (key account revenue grew 13%), and DLM entering FY27 with its highest-ever order book and book-to-bill of 1.5x. 2) Cash generation remained healthy, with strong FCF conversion (~164% FCF/PAT) funding a higher dividend and a Rs7.2bn buyback (~5.8% equity; record date: 17-Jun). 3) Cyient ended FY26 with net cash of ~Rs15.5bn. Leverage is expected to rise following the acquisitions of TAO Digital and Kinetic Tech, ongoing semicon investments, and the buyback, partly offset by acquired business contributions and staggered payouts. 4) Focus on strategic customers increased top-20 client concentration to 62% in FY26 (top client contributing ~15%/19% of group/DET revenue). 5) Collections increased modestly (DSO up by 2 days, mainly led by increase in DET segment; number of DLM inventory turnover days up by 63 due to weak revenue, customer-specific program requirements and global supply-chain challenges. The management aspires to deliver a stronger and more profitable growth in FY27. We retain REDUCE while increasing our TP by ~6% to Rs900 from Rs850, factoring in the Kinetic acquisition and the Cyient DLM share price (up >40% in 3M); we value the DET business at 12x Mar-28E PER and the DLM business at 20% discount to its CMP.**

#### Growth slows in FY26 owing to macro headwinds

In FY26, the DET segment navigated continued caution in discretionary R&D spend, leading to a 0.7% CC decline. DLM revenue moderated following completion of a large defense order, while the semiconductor segment saw a decline due to a deliberate strategic pivot alongside some macro headwinds resulting in a consolidated revenue decline of 4.3% (in CC). Group EBITM moderated to 9.5% from 12.0% in FY25, largely due to losses in the semiconductor business and a ~70bps decline in DET (partly due to muted revenue and subdued operating leverage), while margins in DLM were steady.

#### ER&D spend continues to expand at a healthy mid-to-high single digit

Cyient expects global ER&D spending to grow at a mid-to-high single-digit rate, driven by AI, cloud, software-defined products, and digital twins. The industry is evolving from point engineering engagements to lifecycle engineering, with FY27 growth expected to be supported by i) AI industrialization across engineering workflows; ii) increasing adoption of software-defined products across mobility, medical devices, industrial, and aerospace sectors; iii) rising demand for sustainability and decarbonization engineering.

#### Cyient: Financial Snapshot (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Revenue	71,471	73,604	72,682	84,188	92,708
EBITDA	13,027	11,513	9,666	11,114	13,454
Adj. PAT	7,348	6,217	5,342	5,500	6,929
Adj. EPS (Rs)	66.3	56.0	48.1	52.5	66.2
EBITDA margin (%)	18.2	15.6	13.3	13.2	14.5
EBITDA growth (%)	27.2	(11.6)	(16.0)	15.0	21.1
Adj. EPS growth (%)	27.0	(15.5)	(14.1)	9.2	26.0
RoE (%)	19.0	13.0	9.7	10.0	12.6
RoIC (%)	22.8	16.9	11.6	12.1	14.3
P/E (x)	14.3	15.8	22.8	16.7	13.3
EV/EBITDA (x)	7.1	7.5	8.7	8.1	6.4
P/B (x)	2.3	1.8	1.7	1.7	1.6
FCFF yield (%)	7.0	7.9	8.2	(4.1)	6.9

Source: Company, Emkay Research

Target Price – 12M	Mar-27
Change in TP (%)	5.9
Current Reco.	REDUCE
Previous Reco.	REDUCE
Upside/(Downside) (%)	2.5

Stock Data	CYL IN
52-week High (Rs)	1,364
52-week Low (Rs)	750
Shares outstanding (mn)	111.1
Market-cap (Rs bn)	98
Market-cap (USD mn)	1,026
Net-debt, FY27E (Rs mn)	(2,404.2)
ADTV-3M (mn shares)	0.4
ADTV-3M (Rs mn)	404.2
ADTV-3M (USD mn)	4.2
Free float (%)	76.1
Nifty-50	23,622.9
INR/USD	95.1

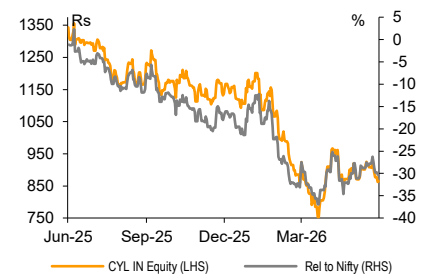
#### Shareholding, Mar-26

Promoters (%)	23.3
FPIs/MFs (%)	15.3/41.0

#### Price Performance

(%)	1M	3M	12M
Absolute	(2.8)	(2.7)	(33.2)
Rel. to Nifty	(3.8)	(2.6)	(29.7)

#### 1-Year share price trend (Rs)



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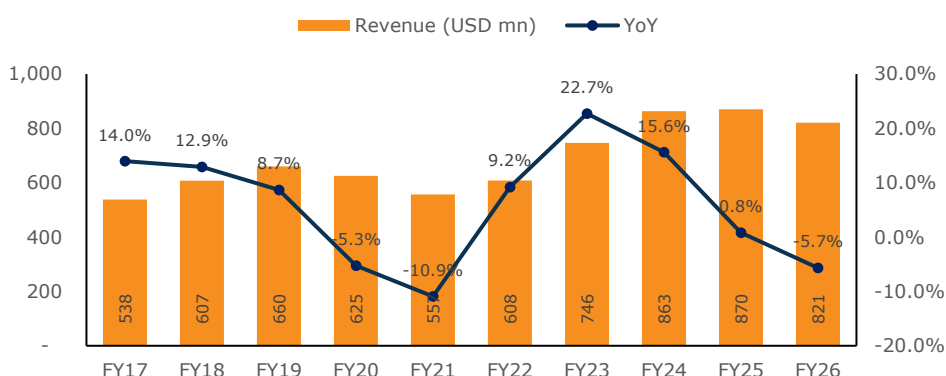
**Embracing Intelligence – AI woven across the engineering lifecycle**

FY26 formalized an AI operating model. Cyient’s Intelligent Engineering Solutions portfolio is organized around three lifecycles (Engineering, Service, Quality, and Regulatory), all underpinned by the proprietary Engineering Intelligence Platform (EIP). On top of EIP sit seven reusable accelerators—CyFAST (automated testing), CyCHAT (custom GenAI), CARE (IT-estate rationalisation), CyMedge (edge compute), CyText (document OCR/digitization), CyVision (video intelligence), and MADE (design thinking). Marquee FY26 wins included an AI CoE for a global medical-devices leader, an AI network platform deployed by a large telco, and a manufacturing intelligence program for a major aircraft OEM, all because they had a deeper understanding of engineering workflows. (Exhibits 38-39)

**Simplifying recent changes in reporting structure**

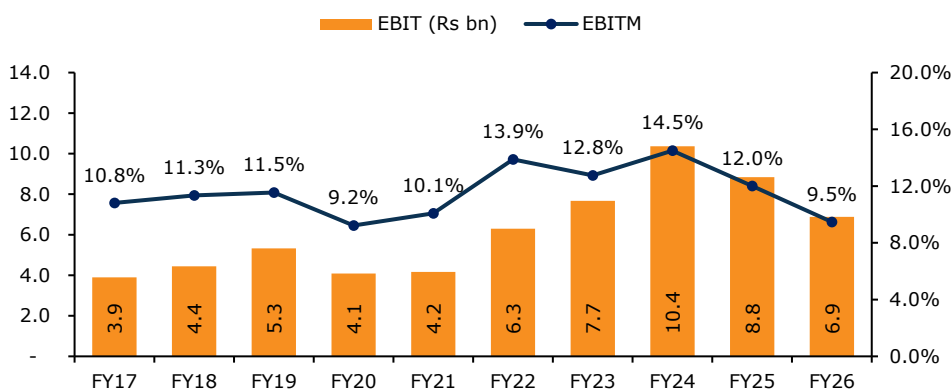
From the FY24 reset onward, Cyient’s segment reporting has changed repeatedly. The trigger was the Cyient DLM IPO (listed in Jul-23); alongside it, the group recast reporting from two segments (Services and DLM) into three – relabeling Services as Digital, Engineering & Technology (DET), retaining DLM as the listed EMS entity, and carving the aerospace-tooling/component-machining business (in Cyient Defense Services Inc), together with Cyient Solutions & Systems into a new ‘Others’ line, so the reported DLM segment matched the listed subsidiary. Within DET, the business-unit taxonomy was simultaneously relabeled to Transportation, Connectivity, Sustainability, and NGA (New Growth Areas: Automotive, Semicon, Medical Technologies), with the semiconductor business still a part of DET as an NGA. The company carved out its semiconductor business into wholly-owned subsidiary Cyient Semiconductors Pvt during FY25; from Q1FY26, it was reported as a distinct fourth segment, with DET numbers restated LFL to exclude the semiconductor business, taking the structure to 4 segments—DET, DLM, Semiconductors, and Others.

**Exhibit 1: Cyient Group CAGR at ~6% over the last 10Y**



Source: Company, Emkay Research

**Exhibit 2: Cyient Group – EBITM sees sharp fall in recent years**



Source: Company, Emkay Research

**Segment-level momentum to support growth in FY27**

Per the latest earnings call commentary, the management has guided for mid-to-high single-digit growth in the DET business in FY27 (implying ~2.3% CQGR at the lower end) and targets 15% EBIT margin by Q4FY27, supported by pricing actions, AI/automation-led efficiencies, cost optimization, and forex benefits. Cyient DLM is entering FY27 with the company's highest-ever order book and a 1.5x book-to-bill ratio, with the management indicating a strong growth outlook. Cyient Semiconductor continues to gain traction, and the management aspires to clock ~USD100mn revenue run-rate, aided by the Kinetic acquisition (closed on 8-Apr-26; CY25E run rate: ~USD41mn), though margins are expected to stay negative due to ongoing investments in products and IP, with breakeven targeted by end-FY27/early-FY28.

This report is intended for Team White Marquee Solutions (team.emkay@whitemarquesolutions)

## Exhibit 3: Segmental performance

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b>Segment revenue</b>										
DET	32,416	35,193	40,592	38,997	34,249	37,541	51,138	59,114	55,150	58,189
Semiconductors									3,008	2,283
DET, incl semicon	32,416	35,193	40,592	38,997	34,249	37,541	51,138	59,114	58,158	60,472
DLM	3,649	3,982	5,592	5,320	7,091	7,815	8,320	11,919	15,196	12,615
Others							728	473	360	343
<b>Total</b>	<b>36,065</b>	<b>39,175</b>	<b>46,184</b>	<b>44,317</b>	<b>41,340</b>	<b>45,356</b>	<b>60,186</b>	<b>71,506</b>	<b>73,714</b>	<b>73,430</b>
Intersegmental revenue			-9	-43	-16	-12	-27	-34	-110	-748
<b>Revenue from operations</b>	<b>36,065</b>	<b>39,175</b>	<b>46,175</b>	<b>44,274</b>	<b>41,324</b>	<b>45,344</b>	<b>60,159</b>	<b>71,472</b>	<b>73,604</b>	<b>72,682</b>
<b>Segment results</b>										
DET	4,599	5,400	6,183	4,174	4,097	5,753	6,768	9,425	7,397	6,911
Semiconductors									468	-1,078
DET, incl semicon	4,599	5,400	6,183	4,174	4,097	5,753	6,768	9,425	7,865	5,833
DLM	-13	60	183	-163	584	646	688	911	1,058	1,075
Others							48	-64	-77	-331
<b>Total</b>	<b>4,586</b>	<b>5,460</b>	<b>6,366</b>	<b>4,011</b>	<b>4,681</b>	<b>6,399</b>	<b>7,504</b>	<b>10,272</b>	<b>8,846</b>	<b>6,577</b>
<b>Segment margin</b>										
DET	14.2%	15.3%	15.2%	10.7%	12.0%	15.3%	13.2%	15.9%	13.4%	11.9%
Semiconductors									15.6%	-47.2%
DET, incl semicon	14.2%	15.3%	15.2%	10.7%	12.0%	15.3%	13.2%	15.9%	13.5%	9.6%
DLM	-0.4%	1.5%	3.3%	-3.1%	8.2%	8.3%	8.3%	7.6%	7.0%	8.5%
Others							6.6%	-13.5%	-21.4%	-96.5%
<b>Total</b>	<b>12.7%</b>	<b>13.9%</b>	<b>13.8%</b>	<b>9.1%</b>	<b>11.3%</b>	<b>14.1%</b>	<b>12.5%</b>	<b>14.4%</b>	<b>12.0%</b>	<b>9.0%</b>
<b>Revenue salience</b>										
DET	89.9%	89.8%	87.9%	88.0%	82.8%	82.8%	85.0%	82.7%	74.8%	79.2%
Semiconductors									4.1%	3.1%
DET, incl semicon	89.9%	89.8%	87.9%	88.0%	82.8%	82.8%	85.0%	82.7%	78.9%	82.4%
DLM	10.1%	10.2%	12.1%	12.0%	17.2%	17.2%	13.8%	16.7%	20.6%	17.2%
Others							1.2%	0.7%	0.5%	0.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Revenue growth YoY</b>										
DET		8.6%	15.3%	-3.9%	-12.2%	9.6%	36.2%	15.6%	-6.7%	5.5%
Semiconductors										-24.1%
DET, incl semicon		8.6%	15.3%	-3.9%	-12.2%	9.6%	36.2%	15.6%	-1.6%	4.0%
DLM		9.1%	40.4%	-4.9%	33.3%	10.2%	6.5%	43.3%	27.5%	-17.0%
Others								-35.0%	-23.9%	-4.7%
<b>Total</b>		<b>8.6%</b>	<b>17.9%</b>	<b>-4.0%</b>	<b>-6.7%</b>	<b>9.7%</b>	<b>32.7%</b>	<b>18.8%</b>	<b>3.1%</b>	<b>-0.4%</b>
<b>Capital deployed</b>										
DET	15,401	14,060	13,672	16,305	12,979	12,413	28,335	30,226	28,641	26,402
Semiconductors	-	-	-	-	-	-	-	-	3,158	2,958
DET, incl semicon	15,401	14,060	13,672	16,305	12,979	12,413	28,335	30,226	31,799	29,360
DLM	4,459	3,768	4,585	5,873	6,306	6,630	6,293	8,414	12,318	12,122
Others	-	-	-	-	-	-	522	544	604	573
Unallocable	1,339	5,614	7,365	3,399	10,256	12,091	-515	6,385	12,883	13,365
<b>Total</b>	<b>21,199</b>	<b>23,442</b>	<b>25,622</b>	<b>25,577</b>	<b>29,541</b>	<b>31,134</b>	<b>34,635</b>	<b>45,569</b>	<b>57,604</b>	<b>55,420</b>
<b>ROCE pre-tax</b>										
DET		36.7%	44.6%	27.8%	28.0%	45.3%	33.2%	32.2%	25.1%	25.1%
Semiconductors									29.6%	-35.3%
DET, incl semicon		36.7%	44.6%	27.8%	28.0%	45.3%	33.2%	32.2%	25.4%	19.1%
DLM		1.5%	4.4%	-3.1%	9.6%	10.0%	10.6%	12.4%	10.2%	8.8%
Others							18.4%	-12.0%	-13.4%	-56.2%
<b>Total</b>		<b>24.5%</b>	<b>25.9%</b>	<b>15.7%</b>	<b>17.0%</b>	<b>21.1%</b>	<b>22.8%</b>	<b>25.6%</b>	<b>17.1%</b>	<b>11.6%</b>

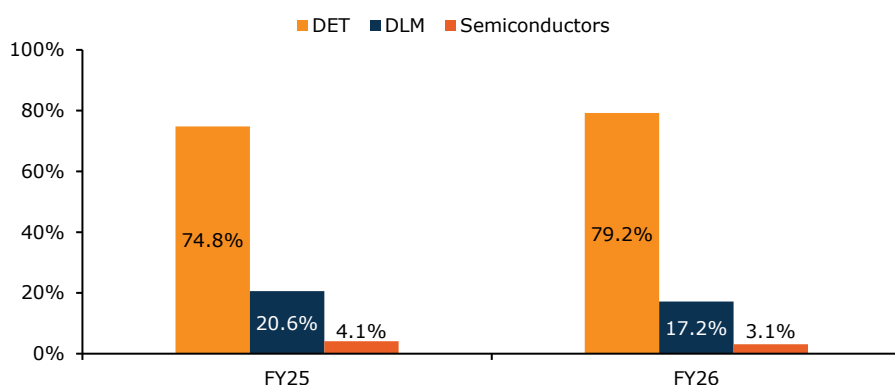
Source: Company, Emkay Research

## DET segment

### DET – The core growth engine delivers a muted performance in FY26

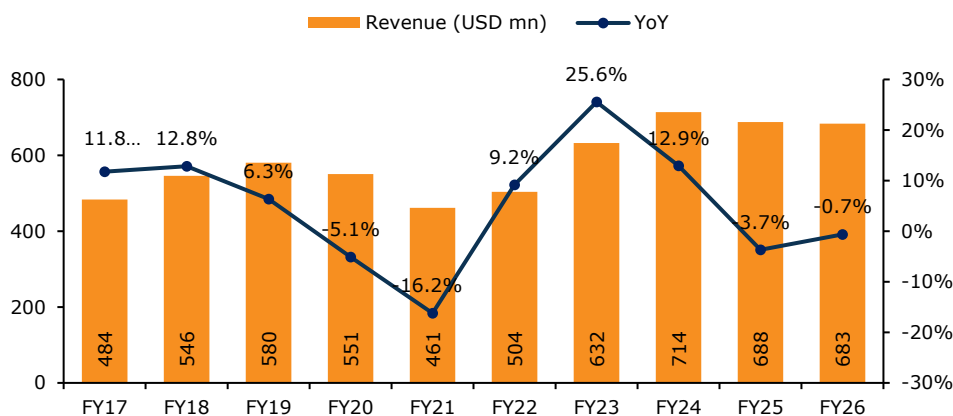
DET is Cyient's engineering-services core segment and contributes ~80% of the group revenue, across three business pillars – Transportation & Mobility (aerospace, rail, and automotive) benefited from a strong commercial-aerospace recovery and the sharpest defence upcycle in over a decade, even as passenger-automotive stayed soft; Networks & Infrastructure (communications and utilities) benefited from grid modernization and AI-led network programs, though telecom operators kept capital spending selective. Strategic Units (energy, mining & minerals, and healthcare & life sciences) remained under pressure due to softness in the Energy and Auto segments. DET revenue declined 0.7% in constant currency terms and grew 5.5% in rupee terms, with EBIT margin of ~12% and order intake inflecting in H2 on a record large-deal funnel.

Exhibit 4: DET salience in Cyient's group revenue increases



Source: Company, Emkay Research; Note: 'Others' (~0.5% of revenue) excluded to maintain scale and clarity

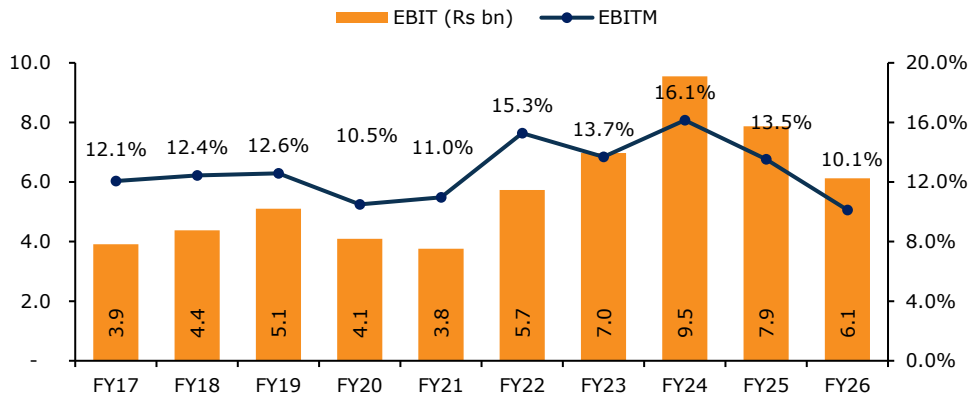
Exhibit 5: Cyient's DET (including semicon) segment CAGR at ~5% over the last 10 years



Source: Company, Emkay Research

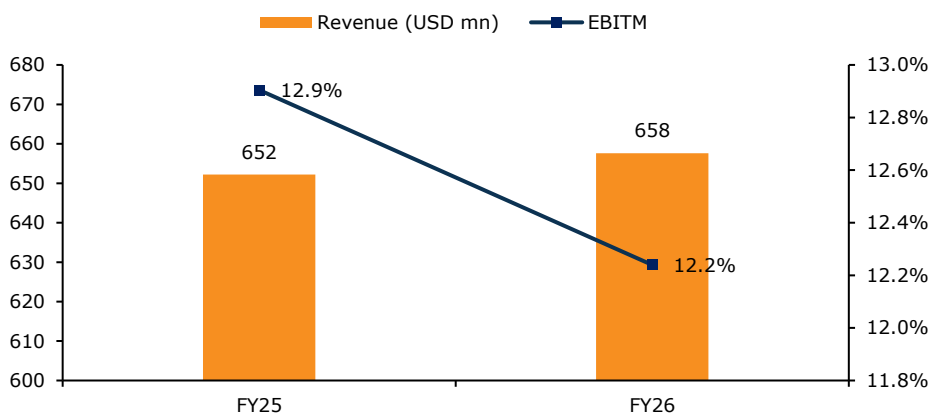
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**Exhibit 6: Cyient’s DET (including semicon) segment EBITM sees a sharp fall, mainly due to weak revenue and investments in the semicon business**



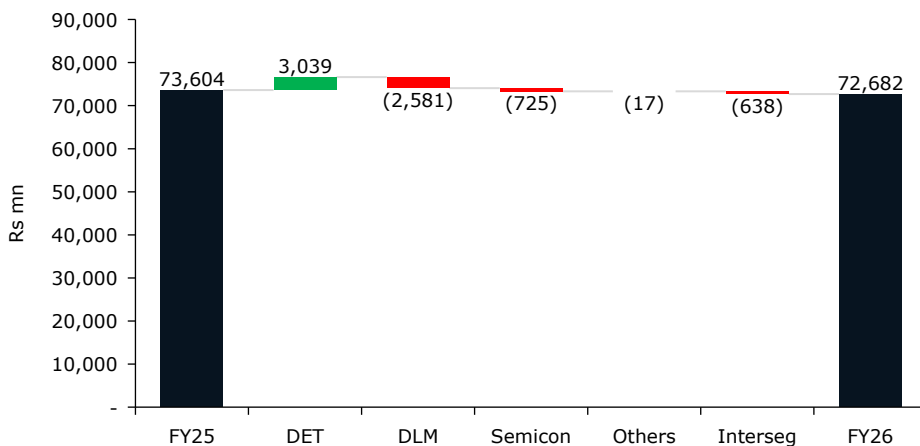
Source: Company, Emkay Research

**Exhibit 7: Cyient’s DET segment, ex semicon, per the new reporting format**



Source: Company, Emkay Research

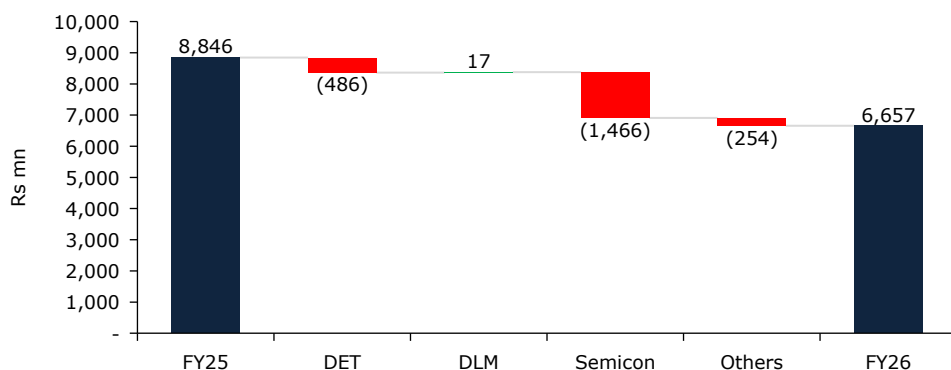
**Exhibit 8: FY26 revenue walk suggests that DET segment led the incremental revenue**



Source: Company, Emkay Research

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**Exhibit 9: Segmental results walk**



Source: Company, Emkay Research

**Exhibit 10: Commentary across verticals**

Vertical	Focus areas and outlook
Transportation	Scaling AI-led engineering accelerators, deepening Build-to-Specification (B2S) and aftermarket franchises, expanding into sustainable propulsion and digital rail signaling, and capturing a larger share of the indigenous defense- and rail-modernization pipeline.
Networks and Infrastructure	Differentiated proposition built around engineering DNA and domain depth, and reinforced by sustained investments in digital twins, AI-led simulations, geospatial analytics, data management, and intelligent operations.
Energy	Macro uncertainties are expected to weigh on near-term demand, though expect demand recovery to be swift post normalization as a new wave of power demand from AI and hyperscale data centers is reshaping the load profile of every major economy and driving a structurally expanding capex cycle across Oil & Gas, Nuclear, Renewables, power generation, and OEM ecosystems.
Mining and Minerals	Consulting-led engagement model, domain depth, and services mindset position Cyient well as companies adopt AI to modernize and choose strategic partners for their transformation in the next decade.
Automotive	Deep mobility domain expertise, established customer relationships, and best-cost-country delivery enable Cyient to support OEMs and Tier-1 suppliers through the current passenger-automotive reset, while expanding share in the more resilient Trucks & Off-Highway segment. Focus remains on partnering with customers on the high-value electronics and engineering work—in SDV, electrification, and cost transformation.
Healthcare and Life Sciences	Focusing on a) end-to-end product lifecycle engineering across R&D, quality, regulatory, supply chain, and manufacturing; b) new product acceleration aligned with the pace of technology evolution; c) enabling new digital revenue streams from the data.

Source: Company, Emkay Research

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**Exhibit 11: DET business metrics**

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Ex-semicon business	
											FY25	FY26
Revenue (USD mn)	484	546	580	551	461	504	632	714	688	683	652	658
YoY		13%	6%	-5%	-16%	9%	26%	13%	-4%	-1%		1%
Revenue	32,418	35,193	40,592	38,992	34,252	37,532	50,957	59,114	58,158	60,472	55,151	58,189
YoY		9%	15%	-4%	-12%	10%	36%	16%	-2%	4%		6%
GP	12,064	13,367	15,393	14,689	13,173	15,687	21,237	23,611	22,803	21,314	21,568	21,885
GPM	37%	38%	38%	38%	38%	42%	42%	40%	39%	35%	39%	38%
EBITDA	4,863	5,431	6,219	5,838	5,454	7,399	9,282	11,961	10,172	8,462	9,368	9,362
EBITDAM	15%	15%	15%	15%	16%	20%	18%	20%	17%	14%	17%	16%
EBIT	3,910	4,380	5,106	4,093	3,759	5,735	6,976	9,546	7,870	6,124	7,117	7,122
EBITM	12%	12%	13%	10%	11%	15%	14%	16%	14%	10%	13%	12%
PBT	4,756	5,753	6,276	4,907	4,586	6,475	6,963	8,998	8,031	7,155	7,278	8,153
PBTM	15%	16%	15%	13%	13%	17%	14%	15%	14%	12%	13%	14%
YoY		21%	9%	-22%	-7%	41%	8%	29%	-11%	-11%		12%

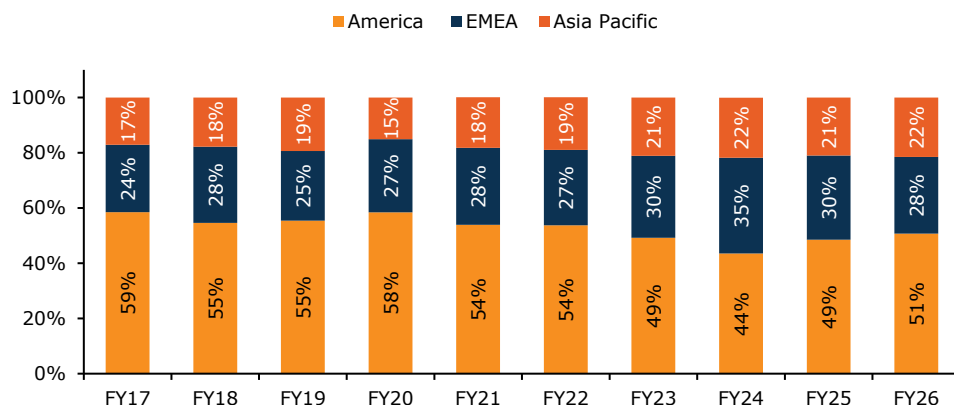
Source: Company, Emkay Research

**Exhibit 12: The Cyient Group’s major expenses**

Particulars	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
<b>Cost of materials consumed</b>	7.6%	7.8%	9.1%	8.9%	12.7%	12.6%	11.6%	13.5%	15.5%	10.8%
<b>Employee expenses</b>	57.1%	55.9%	55.2%	56.0%	52.3%	50.0%	50.3%	49.1%	50.1%	55.5%
<b>Other expenses</b>	21.9%	22.6%	22.1%	21.9%	20.4%	19.4%	21.4%	19.1%	18.9%	20.8%
Travelling and conveyance	3.5%	3.4%	3.3%	2.7%	1.0%	1.2%	1.7%	2.0%	1.8%	2.0%
Sub-contracting charges	6.6%	7.2%	7.7%	7.6%	8.0%	6.9%	6.7%	7.9%	7.1%	8.2%
Machinery	2.2%	2.2%	2.3%	2.5%	2.8%	2.6%	3.0%	3.0%	2.9%	3.0%
Legal and professional charges	1.8%	1.8%	1.6%	2.8%	2.4%	3.2%	4.3%	1.8%	2.1%	1.8%
Expected credit loss for trade receivables	0.3%	0.2%	0.3%	1.0%	0.9%	0.1%	0.6%	0.0%	0.4%	1.2%
Software charges	0.6%	0.4%	0.4%	0.4%	0.5%	0.3%	0.3%	0.3%	0.8%	0.5%

Source: Company, Emkay Research

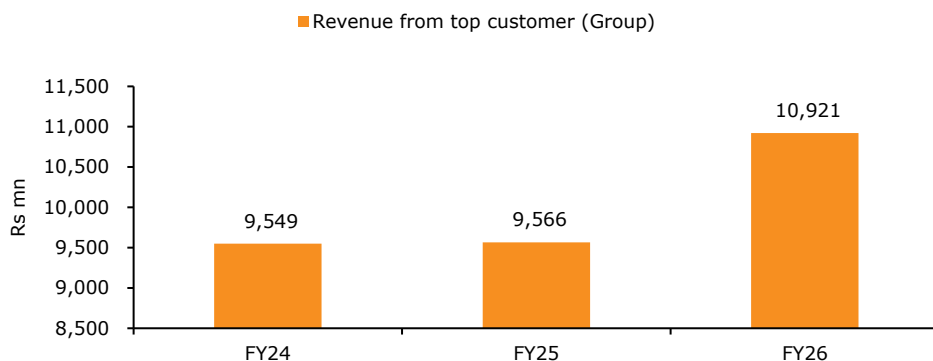
**Exhibit 13: Cyient DET – Contribution from the Europe business has shrunk lately**



Source: Company, Emkay Research; Note: The FY17-24 mix reflects the DET business including semicon

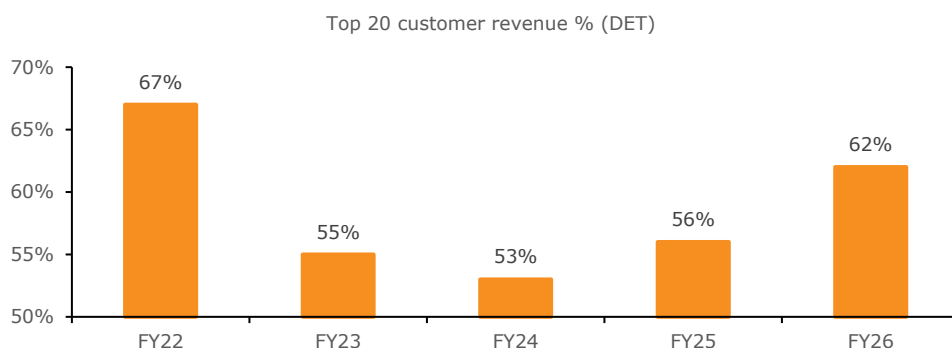
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**Exhibit 14: Revenue from the top customer grows over time, with the top-client (part of the DET segment) contributing ~15/19% to Group/DET revenue**



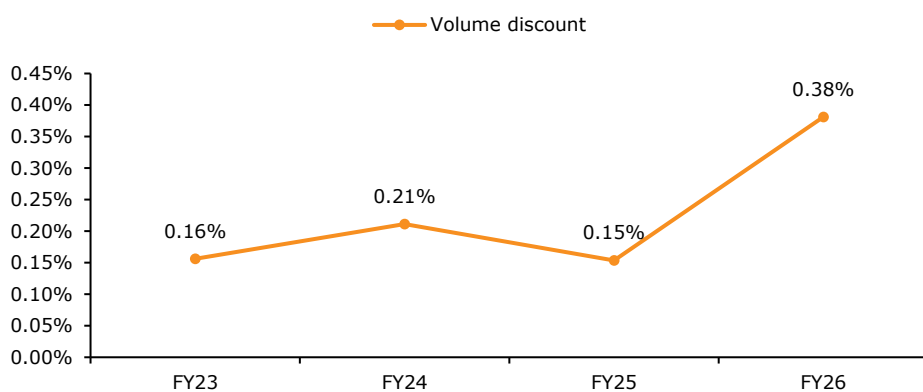
Source: Company, Emkay Research

**Exhibit 15: Top-20 client contribution for DET business inching up**



Source: Company, Emkay Research

**Exhibit 16: Volume discount increases in FY26**



Source: Company, Emkay Research

This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions)

**Exhibit 17: Working capital metrics**

Particulars (no of)	FY22	FY23	FY24	FY25	FY26
<b>Current Assets:</b>					
Inventories days	22	26	24	29	33
Trade receivables days	59	68	64	70	66
Other days	43	45	39	34	50
Contract asset days	24	25	22	19	29
<b>Total</b>	<b>124</b>	<b>140</b>	<b>128</b>	<b>132</b>	<b>148</b>
<b>Current Liabilities:</b>					
Payables days	42	43	35	20	27
Other days	24	40	30	31	36
Provision days	3	7	6	7	8
<b>Total</b>	<b>70</b>	<b>91</b>	<b>71</b>	<b>58</b>	<b>71</b>
DSO days	83	93	87	89	94
WC days	55	49	56	75	77
Cash conversion cycle	39	51	53	79	71
OCF (Rs mn)	6,345	5,539	7,261	7,899	7,874
FCF (Rs mn)	5,494	(4,102)	4,929	4,034	7,014
OCF/EBITDA	77%	54%	56%	69%	81%
FCF/Net Profit	105%	-80%	72%	65%	164%

Source: Company, Emkay Research

**Exhibit 18: Employee metrics**

Particulars	FY22	FY23	FY24	FY25	FY26
Permanent employees (no of)	10,908	12,015	12,695	11,884	12,038
Male (no of)	8,396	9,068	9,729	8,914	8,882
Female (no of)	2,512	2,947	2,966	2,970	3,156
Permanent Employee Turnover rate (%)					
Male		33	22	28	21
Female		29	26	28	23
Total		32	23	28	21
Median wage (Employees other than BoD and KMP; Rs)					
Male		745,626	750,000	574,183	803,784
Female		457,724	500,000	409,956	503,526
Change in median remuneration of employees	6.5%	13.6%	10.8%	3.9%	-5.4%
Average increase in salary of non-managerial employees	5.2%	8.6%	10.4%	4.5%	-5.4%
Average increase in salary of managerial employees	6.0%	6.0%	23.2%	-12.2%	-6.5%

Source: Company, Emkay Research

**Capital allocation**

Cyient has a policy of paying consistent dividends and maintaining a payout ratio of up to 50% of net profit through the right combination of dividend and buyback. The company has announced a buyback of up to 6.4mn shares (5.76% of equity capital) through a tender offer at Rs1,125/share, for an aggregate consideration not exceeding Rs7.2bn. Promoters have indicated their intention not to participate in the proposed buyback. The company has fixed 17-Jun-26 as the record date for determining the entitlement and for eligible shareholders to participate in the buyback. Including the buyback, the average payout ratio will increase to ~75%/65% over the last 5Y/10Y.

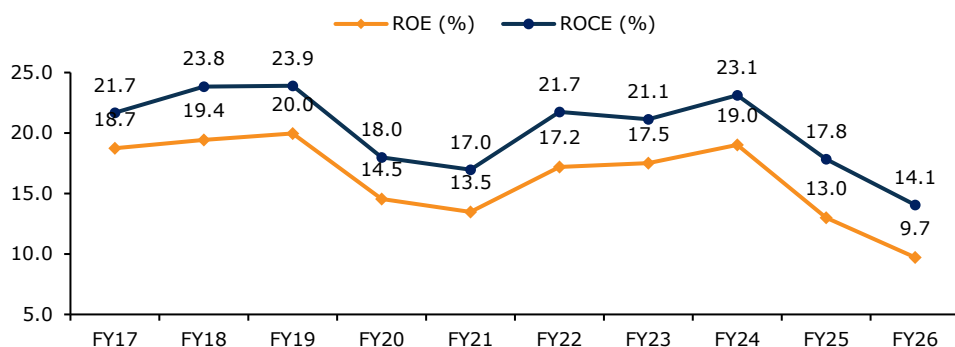
On the M&A front, Cyient has announced the acquisition of Kinetic Tech (closed on 8-Apr-26) and Tao Digital with outflow (including earnouts) of up to USD93mn and USD218mn, respectively. This is expected to put some pressure on the liquidity position, with Cyient expected to see its position shift to net debt from net cash in FY27. In addition, Cyient’s semiconductor business has recently raised ~USD30mn (equity investment of ~USD10mn + structured debt financing of ~USD20mn) funding in its first tranche of external funding.

**Exhibit 19: Steady dividend and periodic buyback lead to a healthy payout, while investing in M&As**

Particulars (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
OCF	4,199	2,963	3,701	5,824	8,557	6,345	5,539	7,261	7,899	7,874
Less: Capex	-1,038	-1,469	-1,440	-2,138	-949	-626	-652	-782	-1,021	-944
Less: Acquisitions	-811	-335	-1,859	-204	-721	-225	-8,989	-1,550	-2,844	84
<b>FCF</b>	<b>2,350</b>	<b>1,159</b>	<b>402</b>	<b>3,482</b>	<b>6,887</b>	<b>5,494</b>	<b>-4,102</b>	<b>4,929</b>	<b>4,034</b>	<b>7,014</b>
Dividend	746	1,894	1,261	3,169	10	2,952	2,630	3,058	3,297	3,291
Buyback	-	-	1,631	395	-	-	-	-	-	-
OCF/EBITDA	87%	54%	57%	98%	140%	77%	54%	56%	69%	81%
FCF/PAT	68%	29%	8%	102%	189%	105%	-80%	72%	65%	164%

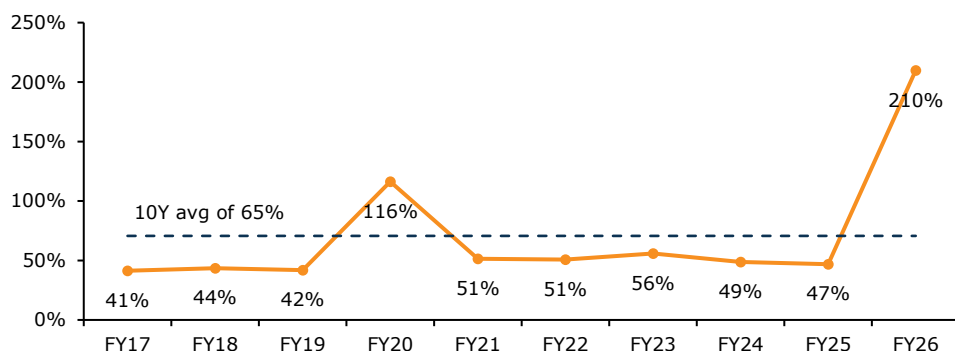
Source: Company, Emkay Research; Note: The latest buyback announced by the company has not been considered here; the value of the dividend and the buyback has been taken from the cashflow statement

**Exhibit 20: Cyient’s return metrics fell in FY26 due to margin pressures and one-off expenses**



Source: Company, Emkay Research

**Exhibit 21: Cyient has a 5Y/10Y average payout ratio of ~75%/65%**



Source: Company, Emkay Research

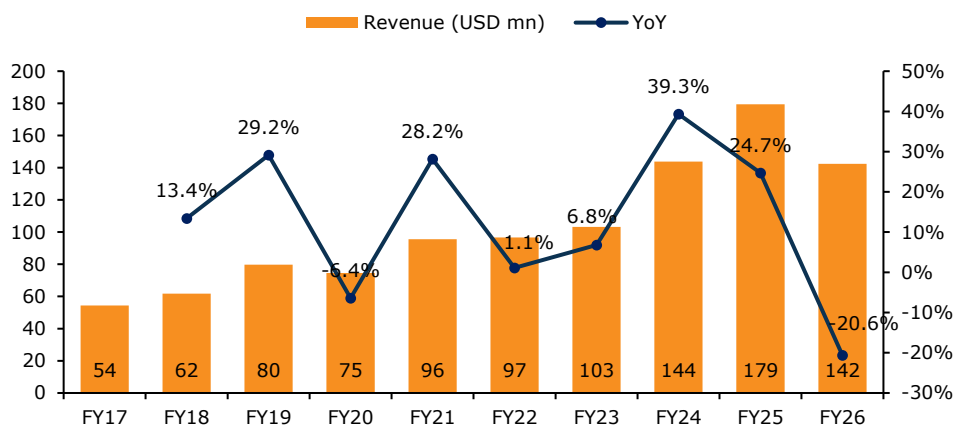
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## DLM segment

### DLM (Design-Led Manufacturing)

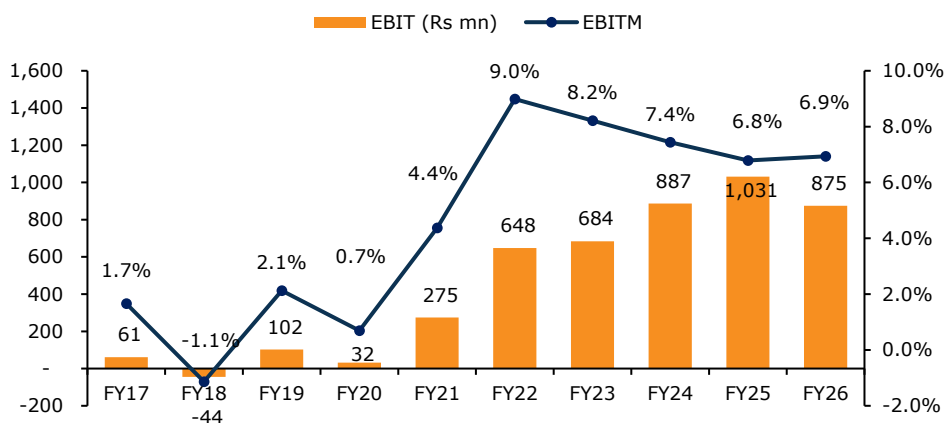
Cyient DLM is the group's engineering-led electronics-manufacturing (EMS) arm, serving aerospace and defense, medical, and industrial customers. Revenue fell 17% in FY26 (decline of 20.6% in USD terms) due to completion of a large defense order. EBITM is steady. The company has expanded its US footprint through the Altek Electronics acquisition. The order book remains healthy, keeping DLM positioned as a reliable build-partner, even through a softer revenue year.

**Exhibit 22: Cyient's DLM revenue CAGR at ~10% since listing**



Source: Company, Emkay Research

**Exhibit 23: Cyient's DLM EBITM steady in FY26, in spite of the sharp fall in revenue**



Source: Company, Emkay Research

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**Exhibit 24: DLM's Financials**

Particulars (Rs mn)	FY22	FY23	FY24	FY25	FY26
Revenue (USD mn)	97	103	144	179	142
YoY		7%	39%	25%	-21%
Revenue	7,205	8,320	11,919	15,196	12,615
YoY		15%	43%	27%	-17%
GP	1,766	1,868	2,719	4,114	5,093
GPM	25%	22%	23%	27%	40%
EBITDA	840	878	1,110	1,372	1,302
EBITDAM	12%	11%	9%	9%	10%
EBIT	648	684	887	1,031	875
EBITM	9%	8%	7%	7%	7%
PBT	507	432	821	917	932
PBTM	7%	5%	7%	6%	7%
YoY		-15%	90%	12%	2%

Source: Company, Emkay Research

**Exhibit 25: Break-up of expenses**

Particulars	FY23	FY24	FY25	FY26
<b>Employee benefits expense</b>	<b>7.8%</b>	<b>9.8%</b>	<b>12.3%</b>	<b>17.8%</b>
<b>Cost of materials consumed</b>	<b>77.5%</b>	<b>77.2%</b>	<b>72.9%</b>	<b>59.6%</b>
<b>Other expenses</b>	<b>4.1%</b>	<b>3.7%</b>	<b>5.8%</b>	<b>12.2%</b>
Stores and spares consumed	0.6%	0.5%	0.7%	1.3%
Sub-contracting charges	0.0%	0.0%	0.0%	4.9%
Others	0.5%	0.4%	0.6%	1.0%
Legal and professional charges	0.1%	0.2%	0.9%	0.9%
Miscellaneous expenses	0.6%	0.6%	0.6%	0.8%

Source: Company, Emkay Research

**Exhibit 26: DLM – Other metrics**

Particulars	FY22	FY23	FY24	FY25	FY26
NWC (no of days)	63	48	79	127	145
Orderbook (Rs mn)	12,030	24,325	21,705	19,061	24,166
Book-to-bill (x)	1.5	2.9	1.8	1.3	1.9
ROCE (%)	18	13	11	11	11.4

Source: Company, Emkay Research

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## Semiconductor segment

### Carves out the semiconductor business to capitalize on growth opportunities

The company carved out its semiconductor business as a separate subsidiary—Cyient Semiconductors—during the year; it has its own leadership team and organizational structure, aimed at sharpening focus and accelerating revenue growth in a fast-growing market. The company announced the acquisition of a majority stake (exceeding 65%, with full control expected by the end of four years) in Kinetic Technologies, to strengthen its presence in power ICs for Edge AI and high-performance computing. Cyient Semiconductors has been qualified for the supply and qualification of technology IPs, including design enablement, for the Rs45bn modernization initiative at the Semi-Conductor Laboratory (SCL), Mohali, under the India Semiconductor Mission. Per this mandate, Cyient Semiconductors will supply and qualify three foundational process technologies—RF-CMOS, BCD (HV LDMOS), and CMOS Image Sensor (CIS) —for SCL's enhanced 8-inch manufacturing line. It has also forged partnerships with GlobalFoundries, Navitas, and Anora.

Revenue declined 24% in FY26 and the business saw a Rs1.1bn loss as the management deliberately shifted from digital ASIC to analog/mixed-signal and absorbed tariff-driven program cancellations, and as demand from automotive customers was weaker.

The company has recently raised ~USD30mn (equity investment of ~USD10mn + structured debt financing of ~USD20mn) funding in its first tranche of external funding at a post-money equity valuation of USD500mn from EAAA Alternatives (formerly Edelweiss Alternatives).

#### Exhibit 27: Cyient Semiconductors Private – Financials

Particulars (Rs mn)	FY25	FY26
Revenue from operations	1920	2,382
YoY		24%
Employee benefit expenses	903	2,129
Other expenses	558	1,258
Employee benefit expenses	47%	89%
Other expenses	29%	53%
<b>EBITDA</b>	<b>459</b>	<b>-1,005</b>
<i>EBITDAM</i>	24%	NA
Depreciation and amortization	51	84
<b>EBIT</b>	<b>408</b>	<b>-1,089</b>
<i>EBITM</i>	21%	NA
Finance costs	11	30
Other income	37	72
Share of loss in an associate	-57	-113
<b>PBT</b>	<b>377</b>	<b>-1,160</b>
Provision for taxes		-248
ETR (%)	-	21
<b>PAT</b>	<b>377</b>	<b>-912</b>
YoY		-342%

Source: Company, Emkay Research

#### Exhibit 28: Break-up of expenses

Particulars	FY25	FY26
<b>Employee benefit expenses</b>	47.0%	89.4%
<b>Other expenses</b>	29.1%	52.8%
Travelling and conveyance	0.7%	2.0%
Sub-contracting charges	16.1%	21.2%
Hardware & software maintenance	4.8%	2.3%
Legal and professional charges	-0.7%	12.8%
Provision for ECL	0.3%	1.6%
Software charges	3.6%	7.8%

Source: Company, Emkay Research White Marquee Solutions (team.emkay@whitemarquesolutions)

**Exhibit 29: Details of material subsidiaries, per AOC 1**

Particulars (Rs mn)	Revenue				PAT			
	FY23	FY24	FY25	FY26	FY23	FY24	FY25	FY26
Cyient Inc	21,736	20,100	22,209	23,327	302	155	600	745
Cyient Europe	11,599	16,256	14,491	12,642	626	1,318	599	86
Cyient GmbH	1,807	1,731	1,719	1,532	47	11	152	262
Cyient KK	950	1,303	1,372	1,819	18	28	27	35
Cyient Australia Pty	4,216	5,385	4,714	5,425	82	313	281	255
Cyient Singapore Private	1,046	1,990	805	276	162	(86)	73	(2,906)
Cyient Insights Private	66	84	2,348	1,956	(31)	(76)	194	160
Cyient DLM	8,320	11,919	15,196	12,615	317	612	681	733
Cyient Solutions and Systems Private					(1)	(1)	(1)	1
Cyient Israel India	18		4		3		10	-
Citec India Private *	851	1,588			101	171		
Cyient Semiconductor Private			304	2,382			53	(913)
Cyient Project Management Consultancy LLC			70	270			(14)	(77)
Cyient Global Captive Solutions Private				213				11
<b>Total</b>	<b>50,609</b>	<b>60,356</b>	<b>63,232</b>	<b>62,457</b>	<b>1,626</b>	<b>2,445</b>	<b>2,655</b>	<b>(1,608)</b>

Source: Company, Emkay Research; Note: \* Citec was merged with Cyient Insights Pvt from 1-Nov-23 (NCLT approved on 7-Jul-24).

**Details of ESOP plans**

Cyient runs four live equity-incentive schemes, with ~1.22mn options outstanding at end-FY26 across these.

**Exhibit 30: Description of ESOP**

Description	Associate Stock Option Plan 2015	Associate Restricted Stock Units Scheme 2020	Associate Stock Option Scheme 2021	Associate Stock Option Scheme 2023
Date of shareholder's approval	16-Jul-15	5-Mar-20	23-Feb-21	21-Jun-23
Total number of options approved under the Scheme	1,200,000	1,050,000	1,079,000	1,200,000
Vesting requirement	36 Months	36 Months	36 Months	36 Months
Exercise price or pricing formula	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014	Grant price is the face value of the equity shares of the Company, i.e., Rs5	Grant price is the face value of the equity shares of the Company, ie Rs5	Market price as defined in SEBI (Share Based Employee Benefits) Regulations, 2014
Maximum term of options granted	5 Years	5 Years	5 Years	5 Years
Source of shares (primary, secondary, or a combination)	Primary	Primary	Secondary	Primary
Variation in terms of options	NA	NA	NA	NA
Method used to account for ESOS	Fair Value	Fair Value	Fair Value	Fair Value

Source: Company, Emkay Research

**Exhibit 31: ESOP movement during the year**

Particulars (no of)	ASOP 2015	ARSU 2020	ASOS 2021	ASOS 2023	Total
Opening outstanding (no of )	87,113	140,530	807,023	-	1,034,666
(+) Granted	-	218,200	20,000	340,000	578,200
(-) Lapsed	32,658	5,756	34,686	-	73,100
(-) Exercised	30,212	57,052	235,320	-	322,584
<b>Closing outstanding</b>	<b>24,243</b>	<b>295,922</b>	<b>557,017</b>	<b>340,000</b>	<b>1,217,182</b>
<b>Implied realized exercise price</b>					
Money realized (Rs)	15,266,840	285,850	1,176,600	-	16,729,290
Shares from exercise	30,212	57,052	235,320	-	322,584
<b>Implied avg exercise price (Rs)</b>	<b>505</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>52</b>

Source: Company, Emkay Research

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**Exhibit 32: ESOP's granted during the year to senior management personnel**

Name (Rs mn)	Designation	ARSU 2020	ASOS 2021	ASOS 2023
<b>Senior managerial personnel</b>				
Shrinivas Kulkarni	Chief Financial Officer	-	12,500	-
Prabhakar Atla	Chief Operating Officer	4,500	-	7,200
PNSV Narasimham	President & Chief Human Resources Officer	4,500	-	7,200
KA Prabhakaran	Senior Vice-President and Chief Technology Officer	20,000	-	-
Kavita Kurup	Sr. Vice President and Chief People Officer	20,000	-	-

Source: Company, Emkay Research

**Exhibit 33: Cyient's acquisitions across its businesses in the last couple of years**

Acquired Entity	Acquisition date	Amount	Revenue rate at the time of acquisition	EV/Sales	Segment	Rationale	Details
Altek Electronics	Oct-24	USD23.4mn + Earnout USD5.8mn	USD37.2mn in CY23	0.8	DLM	Strengthen regional presence and offerings in Industrial, Medical and Defense sectors.	Altek Electronics is an electronic manufacturing services provider in the US. Serving various industries, including but not limited to medical, industrial, telecommunications, and defense contractors, Altek is involved in the entire product life cycle – from prototype to end-of life services, specializing in PCBA assembly, and upper-level assembly.
Azimuth AI	Oct-24	USD7.25mn	USD2.7mn in CY25P	9.8	Semiconductor	Augmenting turnkey ASIC capabilities and strengthening presence in Indian semiconductor market.	US-based embedded silicon product company developing highly differentiated ASICs for Edge Computing applications. Azimuth AI is a fabless custom ASIC company known for its expertise in Energy and Industrial applications and with focus across global markets, including India.
ADGCE	Oct-24	USD1.5mn + Earnout USD0.4mn	USD1.6mn in CY23	1.2	DET	Expand global footprint, strengthen presence in the Middle East, one of the largest energy markets, and drive future growth in Sustainability business.	Abu Dhabi & Gulf Computer Est (ADGCE) is an Abu Dhabi-based technology consulting and digital services provider primarily catering to the Energy sector.
Kinetic Technologies	Dec-24	USD93mn	USD41mn in CY25E	2.3	Semiconductor	To Drive Custom Power IC Leadership for Edge AI and High-Performance Compute Markets.	Incorporated in 2006 and headquartered in USA, Kinetic is a power semiconductor company with deep expertise in analog and mixed-signal design, delivering high-performance ICs for efficient power delivery and signal conditioning across global markets.
TAO Digital	May-26	USD218mn	USD79.1mn in CY25	2.8	DET	Tao Digital brings two highly complementary strengths: Production-grade AI and Data Engineering, and Digital & Product Engineering capabilities.	Tao Digital Solutions Inc is a global digital services company engaged in product engineering, data, and AI-led services, with presence across multiple geographies. The company has a total workforce of ~3,500 employees with a widespread global delivery footprint.

Source: Company, Emkay Research

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**Exhibit 34: Services business contributes bulk of the goodwill**

Goodwill across the business (Rs mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Total Goodwill	3,278	3,549	5,257	5,374	5,830	6,185	16,363	16,692	18,040	19,717
Services / DET	670	673	2,348	2,414	2,879	3,223	13,372	13,731	12,753	14,399
DLM	2,608	2,876	2,909	2,960	2,951	2,962	2,991	2,961	3,258	3,327
Semiconductors									1,667	1,874
Others (Tooling + CSSPL)									362	117
Goodwill as a % of capital employed	15%	15%	21%	21%	20%	20%	47%	37%	31%	36%
Services / DET	4%	5%	17%	15%	22%	26%	47%	45%	45%	55%
DLM	58%	76%	63%	50%	47%	45%	48%	35%	26%	27%
Semiconductors									53%	63%
Others (Tooling + CSSPL)									60%	20%

Source: Company, Emkay Research

**Exhibit 35: Per-employee metrics across ER&D companies**

Revenue per employee (USD)	FY22	FY23	FY24	FY25	FY26
LTTS	47,179	49,573	49,648	47,364	51,264
Cyient (DET)	41,618	45,155	46,616	44,050	46,331
KPIT	44,952	43,450	49,202	53,750	57,087
Tata Elxsi	39,608	36,802	33,959	34,280	35,475
Tata Tech			50,798	48,776	49,008
EBITDA per employee (USD)					
LTTS	10,161	9,902	9,876	8,791	9,021
Cyient (DET)	8,225	9,432	7,482	7,454	8,225
KPIT	8,105	8,205	10,012	11,314	11,901
Tata Elxsi	12,275	11,250	10,006	8,944	7,995
Tata Tech			9,344	8,815	7,592

Source: Company, Emkay Research; Note: Cyient DET includes the semiconductor segment during FY22-24

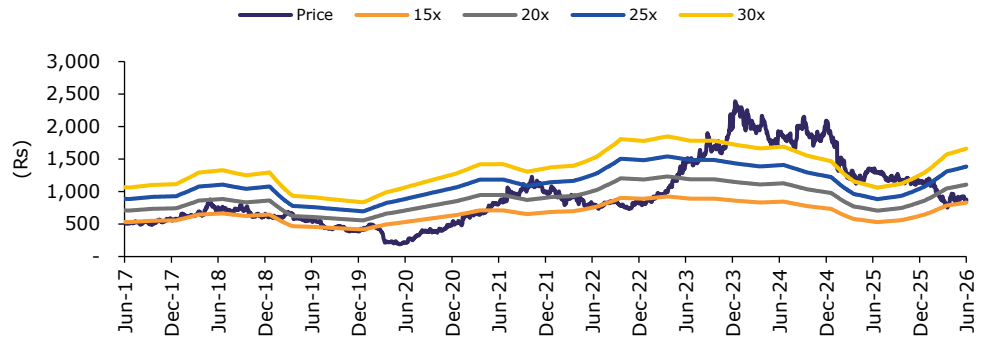
**Exhibit 36: Changes in estimates**

(Rs mn)	FY27E			FY28E		
	Old	New	Change	Old	New	Change
Revenue (USD mn)	901.4	903.0	0.2%	982.1	986.3	0.4%
USD revenue growth YoY	9.8%	10.0%		9.0%	9.2%	
Revenue	82,927	84,188	1.5%	92,313	92,708	0.4%
EBIT	8,699	7,868	-9.5%	10,148	10,133	-0.1%
EBIT margin	10.5%	9.3%		11.0%	10.9%	
Net profit	6,187	5,500	-11.1%	7,037	6,929	-1.5%
EPS (Rs)	59.1	52.5	-11.1%	67.2	66.2	-1.5%

Source: Company, Emkay Research

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Exhibit 37: Cyient – One-year forward PER

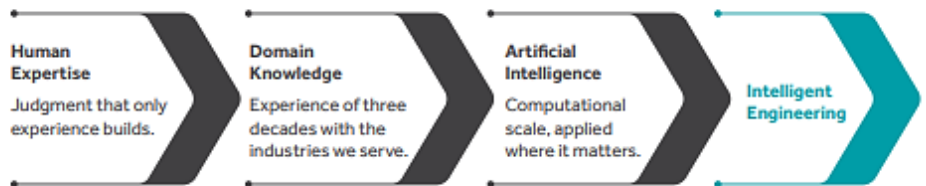


Source: Company, Emkay Research

Exhibit 38: Integrating domain knowledge with human and artificial intelligence is the key GTM

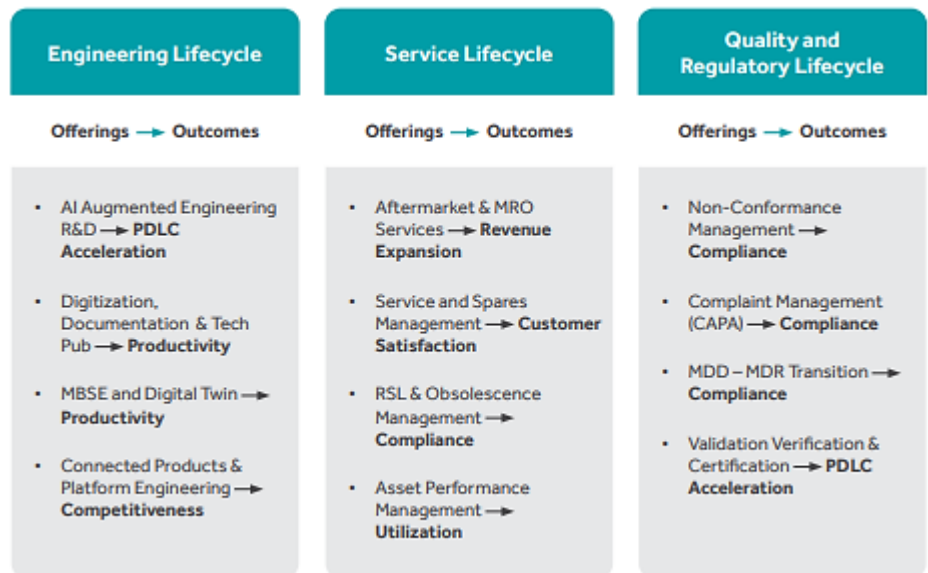
### Three Pillars, One Outcome

The Intelligent Engineering Solutions (IES) framework rests on a disciplined synthesis of capabilities that few engineering services firms can credibly claim in combination.



Source: Company, Emkay Research

Exhibit 39: IES portfolio structured around three lifecycles



Source: Company, Emkay Research

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## Cyient: Consolidated Financials and Valuations

### Profit & Loss

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
<b>Revenue</b>	<b>71,471</b>	<b>73,604</b>	<b>72,682</b>	<b>84,188</b>	<b>92,708</b>
Revenue growth (%)	18.8	3.0	(1.3)	15.8	10.1
<b>EBITDA</b>	<b>13,027</b>	<b>11,513</b>	<b>9,666</b>	<b>11,114</b>	<b>13,454</b>
EBITDA growth (%)	27.2	(11.6)	(16.0)	15.0	21.1
Depreciation & Amortization	2,666	2,672	2,782	3,245	3,320
<b>EBIT</b>	<b>10,361</b>	<b>8,841</b>	<b>6,884</b>	<b>7,868</b>	<b>10,133</b>
EBIT growth (%)	35.0	(14.7)	(22.1)	14.3	28.8
Other operating income	-	-	-	-	-
Other income	661	967	1,772	638	612
Financial expense	1,160	928	608	579	628
<b>PBT</b>	<b>9,862</b>	<b>8,880</b>	<b>8,048</b>	<b>7,927</b>	<b>10,118</b>
Extraordinary items	(519)	(58)	(1,064)	0	0
Taxes	2,314	2,289	2,242	2,140	2,732
Minority interest	(200)	(374)	(464)	(287)	(457)
Income from JV/Associates	0	0	0	0	0
<b>Reported PAT</b>	<b>6,829</b>	<b>6,159</b>	<b>4,278</b>	<b>5,500</b>	<b>6,929</b>
PAT growth (%)	32.8	(9.8)	(30.5)	28.6	26.0
<b>Adjusted PAT</b>	<b>7,348</b>	<b>6,217</b>	<b>5,342</b>	<b>5,500</b>	<b>6,929</b>
<b>Diluted EPS (Rs)</b>	<b>66.3</b>	<b>56.0</b>	<b>48.1</b>	<b>52.5</b>	<b>66.2</b>
Diluted EPS growth (%)	27.0	(15.5)	(14.1)	9.2	26.0
<b>DPS (Rs)</b>	<b>27.6</b>	<b>29.7</b>	<b>29.6</b>	<b>17.5</b>	<b>30.0</b>
<b>Dividend payout (%)</b>	<b>44.8</b>	<b>53.5</b>	<b>76.9</b>	<b>33.3</b>	<b>45.3</b>
EBITDA margin (%)	18.2	15.6	13.3	13.2	14.5
EBIT margin (%)	14.5	12.0	9.5	9.3	10.9
Effective tax rate (%)	23.5	25.8	27.9	27.0	27.0
<b>NOPLAT (pre-IndAS)</b>	<b>7,930</b>	<b>6,562</b>	<b>4,966</b>	<b>5,744</b>	<b>7,397</b>
Shares outstanding (mn)	111	111	111	105	105

Source: Company, Emkay Research

### Cash flows

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
PBT (ex-other income)	7,028	6,483	4,630	7,640	9,661
Others (non-cash items)	5,614	5,552	4,674	3,187	3,336
Taxes paid	(2,775)	(2,554)	(2,735)	(2,140)	(2,732)
Change in NWC	(2,606)	(1,582)	1,305	(2,923)	(2,960)
<b>Operating cash flow</b>	<b>7,261</b>	<b>7,899</b>	<b>7,874</b>	<b>5,763</b>	<b>7,305</b>
Capital expenditure	(782)	(1,021)	(944)	(9,433)	(1,304)
Acquisition of business	(1,550)	(2,844)	84	0	0
Interest & dividend income	352	662	858	638	612
<b>Investing cash flow</b>	<b>(5,327)</b>	<b>(1,451)</b>	<b>1,116</b>	<b>(7,135)</b>	<b>(691)</b>
Equity raised/(repaid)	7,041	8,008	(230)	(7,201)	0
Debt raised/(repaid)	(4,458)	(3,441)	(717)	1,222	0
Payment of lease liabilities	(1,257)	(1,153)	(1,001)	0	0
Interest paid	(930)	(699)	(450)	(579)	(628)
Dividend paid (incl tax)	(3,058)	(3,297)	(3,291)	(1,832)	(3,141)
Others	0	0	0	0	0
<b>Financing cash flow</b>	<b>(2,662)</b>	<b>(582)</b>	<b>(5,689)</b>	<b>(8,390)</b>	<b>(3,769)</b>
Net chg in Cash	(728)	5,866	3,301	(9,762)	2,845
OCF	7,261	7,899	7,874	5,763	7,305
Adj. OCF (w/o NWC chg.)	9,867	9,481	6,569	8,686	10,265
FCFF	6,479	6,878	6,930	(3,670)	6,001
FCFE	5,671	6,612	7,180	(3,611)	5,986
OCF/EBITDA (%)	55.7	68.6	81.5	51.9	54.3
FCFE/PAT (%)	83.0	107.4	167.8	(65.7)	86.4
<b>FCFF/NOPLAT (%)</b>	<b>81.7</b>	<b>104.8</b>	<b>139.5</b>	<b>(63.9)</b>	<b>81.1</b>

Source: Company, Emkay Research

### Balance Sheet

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Share capital	555	555	556	523	523
Reserves & Surplus	42,026	52,540	56,263	52,763	56,551
<b>Net worth</b>	<b>42,581</b>	<b>53,095</b>	<b>56,819</b>	<b>53,286</b>	<b>57,075</b>
Minority interests	2,988	4,509	4,814	4,814	4,814
Non-current liab. & prov.	87	(127)	(1,097)	(1,097)	(1,097)
<b>Total debt</b>	<b>4,530</b>	<b>2,245</b>	<b>1,675</b>	<b>2,897</b>	<b>2,897</b>
<b>Total liabilities &amp; equity</b>	<b>53,536</b>	<b>62,718</b>	<b>64,864</b>	<b>62,553</b>	<b>66,342</b>
Net tangible fixed assets	4,462	4,745	4,747	4,857	4,873
Net intangible assets	4,397	4,392	3,931	4,977	3,887
Net ROU assets	3,271	2,824	2,448	2,372	2,400
Capital WIP	16	75	48	16	16
Goodwill	16,692	18,040	19,717	25,217	25,217
Investments [JV/Associates]	4,855	4,554	3,853	3,377	3,494
<b>Cash &amp; equivalents</b>	<b>9,835</b>	<b>13,142</b>	<b>15,063</b>	<b>5,301</b>	<b>8,146</b>
Current & ex-cash	25,756	28,313	31,599	34,427	38,119
Current Liab. & Prov.	15,748	13,367	16,542	17,991	19,812
<b>NWC (ex-cash)</b>	<b>10,008</b>	<b>14,946</b>	<b>15,057</b>	<b>16,436</b>	<b>18,308</b>
<b>Total assets</b>	<b>53,536</b>	<b>62,718</b>	<b>64,864</b>	<b>62,553</b>	<b>66,342</b>
Net debt	(5,305)	(10,897)	(13,388)	(2,404)	(5,249)
Capital employed	53,536	62,718	64,864	62,553	66,342
<b>Invested capital</b>	<b>35,559</b>	<b>42,123</b>	<b>43,452</b>	<b>51,487</b>	<b>52,285</b>
BVPS (Rs)	384.0	478.2	511.5	509.0	545.2
Net Debt/Equity (x)	(0.1)	(0.2)	(0.2)	-	(0.1)
Net Debt/EBITDA (x)	(0.4)	(0.9)	(1.4)	(0.2)	(0.4)
Interest coverage (x)	9.5	10.6	14.2	14.7	17.1
<b>RoCE (%)</b>	<b>23.1</b>	<b>17.8</b>	<b>14.1</b>	<b>13.7</b>	<b>17.1</b>

Source: Company, Emkay Research

### Valuations and key Ratios

Y/E Mar	FY24	FY25	FY26	FY27E	FY28E
P/E (x)	14.3	15.8	22.8	16.7	13.3
P/CE(x)	9.7	11.0	12.0	10.5	9.0
P/B (x)	2.3	1.8	1.7	1.7	1.6
EV/Sales (x)	1.3	1.2	1.2	1.1	0.9
EV/EBITDA (x)	7.1	7.5	8.7	8.1	6.4
EV/EBIT(x)	8.9	9.8	12.2	11.4	8.6
EV/IC (x)	2.6	2.1	1.9	1.7	1.7
FCFF yield (%)	7.0	7.9	8.2	(4.1)	6.9
FCFE yield (%)	5.8	6.8	7.4	(3.7)	6.1
Dividend yield (%)	3.1	3.4	3.4	2.0	3.4
<b>DuPont-RoE split</b>					
Net profit margin (%)	10.3	8.4	7.3	6.5	7.5
Total asset turnover (x)	1.5	1.3	1.2	1.4	1.5
Assets/Equity (x)	1.2	1.2	1.1	1.1	1.1
<b>RoE (%)</b>	<b>19.0</b>	<b>13.0</b>	<b>9.7</b>	<b>10.0</b>	<b>12.6</b>
<b>DuPont-RoIC</b>					
NOPLAT margin (%)	11.1	8.9	6.8	6.8	8.0
IC turnover (x)	2.1	1.9	1.7	1.8	1.8
<b>RoIC (%)</b>	<b>22.8</b>	<b>16.9</b>	<b>11.6</b>	<b>12.1</b>	<b>14.3</b>
<b>Operating metrics</b>					
Core NWC days	51.1	74.1	75.6	71.3	72.1
<b>Total NWC days</b>	<b>51.1</b>	<b>74.1</b>	<b>75.6</b>	<b>71.3</b>	<b>72.1</b>
Fixed asset turnover	2.8	2.8	2.6	2.7	2.7
Opex-to-revenue (%)	81.8	84.4	86.7	86.8	85.5

Source: Company, Emkay Research

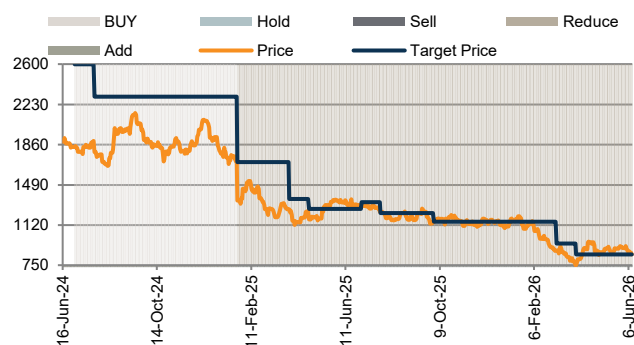
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**RECOMMENDATION HISTORY - DETAILS**

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
01-Jun-26	906	850	Reduce	Dipeshkumar Mehta
27-May-26	918	850	Reduce	Dipeshkumar Mehta
24-Apr-26	873	850	Reduce	Dipeshkumar Mehta
31-Mar-26	753	850	Reduce	Dipeshkumar Mehta
06-Mar-26	885	950	Reduce	Dipeshkumar Mehta
18-Feb-26	1,020	1,150	Reduce	Dipeshkumar Mehta
23-Jan-26	1,086	1,150	Reduce	Dipeshkumar Mehta
01-Jan-26	1,109	1,150	Reduce	Dipeshkumar Mehta
18-Dec-25	1,141	1,150	Reduce	Dipeshkumar Mehta
17-Oct-25	1,171	1,150	Reduce	Dipeshkumar Mehta
01-Oct-25	1,149	1,150	Reduce	Dipeshkumar Mehta
25-Jul-25	1,243	1,230	Reduce	Dipeshkumar Mehta
01-Jul-25	1,295	1,330	Reduce	Dipeshkumar Mehta
25-Apr-25	1,171	1,270	Reduce	Dipeshkumar Mehta
31-Mar-25	1,265	1,360	Reduce	Dipeshkumar Mehta
27-Jan-25	1,351	1,700	Reduce	Dipeshkumar Mehta
24-Jan-25	1,345	1,700	Reduce	Dipeshkumar Mehta
01-Jan-25	1,805	2,300	Buy	Dipeshkumar Mehta
25-Oct-24	1,798	2,300	Buy	Dipeshkumar Mehta
01-Oct-24	1,914	2,300	Buy	Dipeshkumar Mehta

Source: Company, Emkay Research

**RECOMMENDATION HISTORY - TREND**



Source: Company, Bloomberg, Emkay Research

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