

April 24, 2025

## Q4FY25 Result Update

☒ Change in Estimates | ☒ Target | ☒ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	<b>ACCUMULATE</b>		<b>BUY</b>	
<b>Target Price</b>	<b>546</b>		<b>692</b>	
Sales (Rs. m)	16,870	22,279	20,094	25,765
% Chng.	(16.0)	(13.5)		
EBITDA (Rs. m)	1,687	2,362	1,929	2,731
% Chng.	(12.6)	(13.5)		
EPS (Rs.)	12.0	18.2	15.6	23.1
% Chng.	(23.5)	(21.1)		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	11,919	15,196	16,870	22,279
EBITDA (Rs. m)	1,110	1,372	1,687	2,362
Margin (%)	9.3	9.0	10.0	10.6
PAT (Rs. m)	612	681	948	1,442
EPS (Rs.)	7.7	8.6	12.0	18.2
Gr. (%)	28.6	11.2	39.3	52.1
DPS (Rs.)	-	-	-	-
Yield (%)	-	-	-	-
RoE (%)	11.1	7.3	9.4	12.8
RoCE (%)	15.0	11.6	13.3	17.1
EV/Sales (x)	2.9	2.5	2.2	1.7
EV/EBITDA (x)	31.7	28.2	22.4	16.0
PE (x)	64.0	57.6	41.3	27.2
P/BV (x)	4.3	4.1	3.7	3.3

### Key Data CYIT.BO | CYIENTDL IN

52-W High / Low	Rs.873 / Rs.350
Sensex / Nifty	80,116 / 24,329
Market Cap	Rs.39bn/ \$ 459m
Shares Outstanding	79m
3M Avg. Daily Value	Rs.202.84m

### Shareholding Pattern (%)

Promoter's	52.16
Foreign	2.38
Domestic Institution	28.64
Public & Others	16.82
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	18.3	(22.8)	(28.0)
Relative	13.6	(22.9)	(33.8)

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## Defense Segment drags revenue, Margins expanded

We cut our FY26/FY27E EPS estimates significantly by 23.5%/21.1%, due to continuous reduction in order book, no clarity of replacement of BEL contract and weaker than expected execution. However, double digit margin reported even after excluding the one off in Q4FY25, CYIENTDL is confident to report 10%+ EBITDA margin in FY26. We have revised TP to Rs546 (Rs692 earlier), based on 30x FY27E earnings and downgrade our recommendation to 'Accumulate' from 'BUY'. CYIENTDL defense segment got impacted due to completion of contract from domestic client, with the order book declining 12% YoY to Rs 19bn. However, company remains positive about securing robust orderbook from Q2FY26 onwards mainly from International clients. The management indicated that the contracts secured from Boeing Global Services and Deutsche Aircraft and one logo addition in industrial segment, expected to bring growth in order flow, which will be visible from H2FY26. We estimate FY25-27E revenue/EBITDA/PAT CAGR of 21.1%/31.2%/45.6%, with EBITDA margin expansion of ~160bps. Downgrade to 'Accumulate'.

**Revenue increases by 18.3%, Adj. PAT grew by 36.2%:** Sales grew by 18.3% YoY to Rs4.3bn (PLe: Rs4.9bn). Aerospace/Industrial/Medtech segment grew by 56%/84%/270% YoY. Rail/Defence segment decline by 41%/43% YoY, mainly due to earlier than expected phase-out of its major domestic defence order. Aerospace/Defense segment contributes 33%/27% to the revenue. EBITDA grew by 50.9% YoY to Rs 574mn (PLe: Rs 472mn). EBITDA margins expanded by ~290bps to 13.4% (PLe: 9.6%), adjusting for one-offs, margins came in at 10.9%. PBT grew by 35.2% YoY to Rs 417mn (PLe: Rs 396mn).PAT grew by 36.2% YoY to Rs 310mn (PLe: Rs 291mn). The company order book stood at Rs 19bn in Q4FY25 vs Rs 22bn in Q4FY24.

**Con call highlights:** **1)** The company expects Q1FY26 to be soft, but a robust order pipeline from FY26 with margins in double digits. **2)** CYIENTDL has secured a production contract from Boeing, which is set to commence from Q3FY26. The agreement will be executed over a 3-year period, strengthening its position in the aerospace segment. **3)** Cyient DLM has strengthened its strategic partnership with Deutsche Aircraft to design, develop, and manufacture the Cabin Management System (CMS) for the D328eco® regional turboprop. **4)** One-off purchase price variance claims recorded in Q4FY25, arising from successful negotiations with customers on material cost escalations, positively impacted margins; however, even excluding these claims, CYIENTDL maintained a sustainable double-digit margin profile. **5)** The company added 7 logos by 9MFY25 and one in Q4FY25 (a multinational company focusing on industrial products). **6)** Defense segment declined by 43% YoY to Rs1.2bn in Q4FY25 due to the completion of contract from a large domestic client. **7)** Export:domestic ratio stood at 71:29 in Q4FY25 vs 66:34 in Q4FY24. **8)** The ratio for FY25 stood at 59:41. However, for FY26, the company expects this to shift to 80:20, driven by the completion of a domestic client contract and a strong backlog predominantly comprising international orders. **9)** CYIENTDL has a capacity utilization of 60%, with higher utilization levels at its Mysuru facility, while other locations are operating at comparatively lower

utilization rates. **10)** Reciprocal tariffs implemented by the US are creating multiple opportunities for CYIENTDL, with several OEMs expressing interest in partnering with the company to leverage its manufacturing presence in the US. **11)** EMS industry continues to be affected by global supply chain disruptions, due to geopolitical tensions and trade restrictions. These challenges are impacting the availability of key components and delaying OEMs' decisions on launching new programs.

**Exhibit 1: Q4FY25 result overview: Sales increase by 18.3% YoY, PAT grew by 36.2% YoY**

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
<b>Net Sales</b>	<b>4,281</b>	<b>3,618</b>	<b>18.3</b>	<b>4,442</b>	<b>-3.6</b>	<b>15,196</b>	<b>11,919</b>	<b>27.5</b>
<b>Expenditure</b>								
Operating & Manufacturing Expenses	2,806	2,754	1.9	3,257	-13.8	11,082	9,200	20.5
<i>% of Net Sales</i>	<i>65.6</i>	<i>76.1</i>		<i>73.3</i>		<i>72.9</i>	<i>77.2</i>	
<b>Gross Profit</b>	<b>1,475</b>	<b>864</b>	<b>70.7</b>	<b>1,186</b>	<b>24.4</b>	<b>4,114</b>	<b>2,719</b>	<b>51.3</b>
<i>% of Net Sales</i>	<i>34.4</i>	<i>23.9</i>		<i>26.7</i>		<i>27.1</i>	<i>22.8</i>	
Personnel Cost	611	357	71.1	588	3.9	1,862	1,174	58.6
<i>% of Net Sales</i>	<i>14.3</i>	<i>9.9</i>		<i>13.2</i>		<i>12.3</i>	<i>9.8</i>	
Other Expenses	290	127	128.7	317	-8.5	880	435	102.3
<i>% of Net Sales</i>	<i>6.8</i>	<i>3.5</i>		<i>7.1</i>		<i>5.8</i>	<i>3.7</i>	
Total Expenditure	3,706	3,238	14.5	4,161	-10.9	13,825	10,809	27.9
<b>EBITDA</b>	<b>574</b>	<b>380</b>	<b>50.9</b>	<b>281</b>	<b>104.1</b>	<b>1,372</b>	<b>1,110</b>	<b>23.6</b>
<i>Margin (%)</i>	<i>13.4</i>	<i>10.5</i>	<i>2.90</i>	<i>6.3</i>		<i>9.0</i>	<i>9.3</i>	
Other income	33	83	-60.1	69	-51.6	262	278	(6.0)
Depreciation	105	62	67.8	100	4.5	341	223	52.7
<b>EBIT</b>	<b>469</b>	<b>318</b>	<b>47.6</b>	<b>181</b>	<b>159.2</b>	<b>1,293</b>	<b>1,165</b>	<b>10.9</b>
Interest	86	94	-8.8	100	-13.7	375	344	9.2
<b>PBT</b>	<b>417</b>	<b>307</b>	<b>35.7</b>	<b>150</b>	<b>177.6</b>	<b>917</b>	<b>821</b>	<b>11.7</b>
Total Taxes	106	79	34.4	40	164.6	236	209	12.9
<i>ETR (%)</i>	<i>25.5</i>	<i>25.8</i>		<i>26.8</i>		<i>25.8</i>	<i>25.5</i>	
<b>Adj. PAT</b>	<b>310</b>	<b>228</b>	<b>36.2</b>	<b>110</b>	<b>182.4</b>	<b>681</b>	<b>612</b>	<b>11.2</b>
Exceptional Items	-	-		-		-	-	
<b>Reported PAT</b>	<b>310</b>	<b>228</b>	<b>36.2</b>	<b>110</b>	<b>182.4</b>	<b>681</b>	<b>612</b>	<b>11.2</b>

Source: Company, PL

**Exhibit 2: Segmental breakup: Industrial & Med Tech segment grew by 84%/270% in Q4FY25**

Y/e March (Rs mn)	Q4FY25	Q4FY24	YoY gr. (%)	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
<b>Revenues</b>								
Aerospace	1,413	905	56.2	977	44.5	3,839	2,804	36.9
Defense	1,156	2,026	(43.0)	2,043	(43.4)	7,240	5,822	24.3
Industrial	599	326	84.0	578	3.8	1,578	1,946	(18.9)
Medtech	1,070	289	269.7	800	33.8	2,361	1,032	128.8
Rail	43	72	(40.9)	44	(3.6)	178	314	(43.4)
<b>Total</b>	<b>4,281</b>	<b>3,618</b>	<b>18.3</b>	<b>4,442</b>	<b>(3.6)</b>	<b>15,196</b>	<b>11,919</b>	<b>27.5</b>

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>11,919</b>	<b>15,196</b>	<b>16,870</b>	<b>22,279</b>
YoY gr. (%)	43.2	27.5	11.0	32.1
Cost of Goods Sold	9,200	11,082	12,214	16,486
Gross Profit	2,719	4,114	4,656	5,793
Margin (%)	22.8	27.1	27.6	26.0
Employee Cost	1,174	1,862	2,041	2,295
Other Expenses	435	880	928	1,136
<b>EBITDA</b>	<b>1,110</b>	<b>1,372</b>	<b>1,687</b>	<b>2,362</b>
YoY gr. (%)	26.5	23.6	23.0	40.0
Margin (%)	9.3	9.0	10.0	10.6
Depreciation and Amortization	223	341	355	405
<b>EBIT</b>	<b>887</b>	<b>1,031</b>	<b>1,332</b>	<b>1,956</b>
Margin (%)	7.4	6.8	7.9	8.8
Net Interest	344	375	389	393
Other Income	278	262	324	364
<b>Profit Before Tax</b>	<b>821</b>	<b>917</b>	<b>1,267</b>	<b>1,927</b>
Margin (%)	6.9	6.0	7.5	8.7
Total Tax	209	236	319	485
Effective tax rate (%)	25.5	25.8	25.2	25.2
<b>Profit after tax</b>	<b>612</b>	<b>681</b>	<b>948</b>	<b>1,442</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>612</b>	<b>681</b>	<b>948</b>	<b>1,442</b>
YoY gr. (%)	92.9	11.2	39.3	52.1
Margin (%)	5.1	4.5	5.6	6.5
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>612</b>	<b>681</b>	<b>948</b>	<b>1,442</b>
YoY gr. (%)	92.9	11.2	39.3	52.1
Margin (%)	5.1	4.5	5.6	6.5
Other Comprehensive Income	(240)	(332)	-	-
Total Comprehensive Income	372	349	948	1,442
<b>Equity Shares O/s (m)</b>	<b>79</b>	<b>79</b>	<b>79</b>	<b>79</b>
<b>EPS (Rs)</b>	<b>7.7</b>	<b>8.6</b>	<b>12.0</b>	<b>18.2</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>2,640</b>	<b>3,867</b>	<b>4,244</b>	<b>4,796</b>
Tangibles	2,498	3,159	3,459	3,759
Intangibles	142	707	785	1,037
<b>Acc: Dep / Amortization</b>	<b>1,243</b>	<b>1,537</b>	<b>1,845</b>	<b>2,193</b>
Tangibles	1,123	1,364	1,579	1,814
Intangibles	120	173	266	380
<b>Net fixed assets</b>	<b>1,397</b>	<b>2,330</b>	<b>2,400</b>	<b>2,603</b>
Tangibles	1,374	1,796	1,880	1,946
Intangibles	22	534	519	657
Capital Work In Progress	504	504	408	508
Goodwill	30	681	681	681
Non-Current Investments	715	378	378	378
Net Deferred tax assets	59	132	132	132
Other Non-Current Assets	69	97	97	97
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	4,642	5,713	6,470	8,545
Trade receivables	2,259	3,474	3,697	4,578
Cash & Bank Balance	5,366	2,878	3,748	3,576
Other Current Assets	743	638	994	1,050
<b>Total Assets</b>	<b>16,033</b>	<b>16,939</b>	<b>19,136</b>	<b>22,298</b>
<b>Equity</b>				
Equity Share Capital	793	793	793	793
Other Equity	8,297	8,701	9,779	11,221
<b>Total Network</b>	<b>9,090</b>	<b>9,494</b>	<b>10,572</b>	<b>12,014</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	747	1,480	1,480	1,480
Provisions	80	67	113	149
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	589	958	858	708
Trade payables	3,089	2,499	3,235	4,273
Other current liabilities	1,743	1,881	2,271	2,999
<b>Total Equity &amp; Liabilities</b>	<b>16,033</b>	<b>16,939</b>	<b>19,136</b>	<b>22,298</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	821	917	1,267	1,927
Add. Depreciation	223	341	355	405
Add. Interest	344	375	389	393
Less Financial Other Income	278	262	324	364
Add. Other	(222)	(24)	(324)	(364)
Op. profit before WC changes	1,166	1,609	1,687	2,362
Net Changes-WC	(1,676)	(1,976)	(239)	(1,304)
Direct tax	(195)	(257)	319	485
<b>Net cash from Op. activities</b>	<b>(705)</b>	<b>(624)</b>	<b>1,766</b>	<b>1,542</b>
Capital expenditures	(338)	(500)	(328)	(708)
Interest / Dividend Income	107	383	324	364
Others	(4,046)	1,384	-	-
<b>Net Cash from Invst. activities</b>	<b>(4,277)</b>	<b>1,267</b>	<b>(4)</b>	<b>(344)</b>
Issue of share cap. / premium	6,694	(4)	-	-
Debt changes	(1,647)	167	(40)	(43)
Dividend paid	-	-	-	-
Interest paid	(192)	(644)	(389)	(393)
Others	(65)	(107)	-	-
<b>Net cash from Fin. activities</b>	<b>4,790</b>	<b>(587)</b>	<b>(430)</b>	<b>(436)</b>
<b>Net change in cash</b>	<b>(193)</b>	<b>55</b>	<b>1,332</b>	<b>762</b>
Free Cash Flow	(1,043)	(1,124)	1,438	834

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	7.7	8.6	12.0	18.2
CEPS	10.5	12.9	16.4	23.3
BVPS	114.6	119.7	133.3	151.5
FCF	(13.2)	(14.2)	18.1	10.5
DPS	-	-	-	-
<b>Return Ratio(%)</b>				
RoCE	15.0	11.6	13.3	17.1
ROIC	27.4	9.2	11.5	14.7
RoE	11.1	7.3	9.4	12.8
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.4)	0.0	(0.1)	(0.1)
Net Working Capital (Days)	117	161	150	145
<b>Valuation(x)</b>				
PER	64.0	57.6	41.3	27.2
P/B	4.3	4.1	3.7	3.3
P/CEPS	46.9	38.4	30.1	21.2
EV/EBITDA	31.7	28.2	22.4	16.0
EV/Sales	2.9	2.5	2.2	1.7
Dividend Yield (%)	-	-	-	-

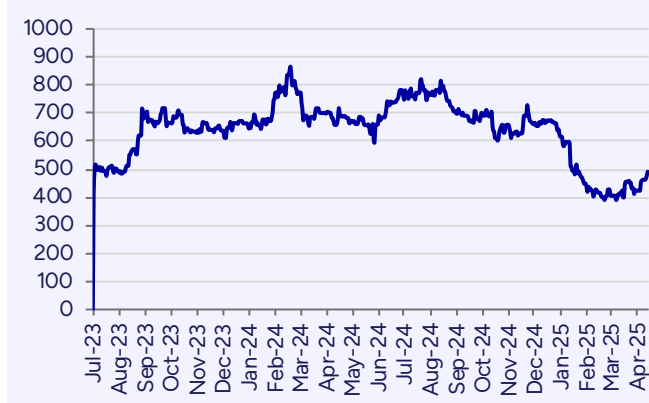
Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net Revenue</b>	<b>2,579</b>	<b>3,895</b>	<b>4,442</b>	<b>4,281</b>
YoY gr. (%)	18.8	33.4	38.4	18.3
Raw Material Expenses	1,927	3,092	3,257	2,806
Gross Profit	652	802	1,186	1,475
Margin (%)	25.3	20.6	26.7	34.4
<b>EBITDA</b>	<b>200</b>	<b>316</b>	<b>281</b>	<b>574</b>
YoY gr. (%)	-	34.4	(4.4)	50.9
Margin (%)	7.8	8.1	6.3	13.4
Depreciation / Depletion	67	69	100	105
<b>EBIT</b>	<b>133</b>	<b>248</b>	<b>181</b>	<b>469</b>
Margin (%)	5.2	6.4	4.1	11.0
Net Interest	80	110	100	86
Other Income	89	71	69	33
<b>Profit before Tax</b>	<b>142</b>	<b>209</b>	<b>150</b>	<b>417</b>
Margin (%)	5.5	5.4	3.4	9.7
Total Tax	36	54	40	106
Effective tax rate (%)	25.2	26.0	26.8	25.5
<b>Profit after Tax</b>	<b>106</b>	<b>155</b>	<b>110</b>	<b>310</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>106</b>	<b>155</b>	<b>110</b>	<b>310</b>
YoY gr. (%)	97.7	5.5	(40.4)	36.2
Margin (%)	4.1	4.0	2.5	7.3
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>106</b>	<b>155</b>	<b>110</b>	<b>310</b>
YoY gr. (%)	97.7	5.5	(40.4)	36.2
Margin (%)	4.1	4.0	2.5	7.3
Other Comprehensive Income	3	(2)	1	(2)
<b>Total Comprehensive Income</b>	<b>109</b>	<b>153</b>	<b>111</b>	<b>308</b>
Avg. Shares O/s (m)	79	79	79	79
<b>EPS (Rs)</b>	<b>1.4</b>	<b>1.9</b>	<b>1.4</b>	<b>3.9</b>

Source: Company Data, PL Research

**Price Chart**



**Recommendation History**

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	04-Apr-25	BUY	692	455
2	22-Jan-25	BUY	692	515
3	09-Jan-25	BUY	831	645
4	09-Dec-24	BUY	831	664

**Analyst Coverage Universe**

Sr. No.	CompanyName	Rating	TP (Rs)	Share Price (Rs)
1	Astral Ltd.	BUY	1,532	1,288
2	Avalon Technologies	Accumulate	900	807
3	Bajaj Electricals	Hold	552	551
4	Cello World	BUY	770	545
5	Century Plyboard (I)	BUY	806	668
6	Cera Sanitaryware	BUY	7,456	5,398
7	Crompton Greaves Consumer Electricals	BUY	440	339
8	Cyient DLM	BUY	692	455
9	Finolex Industries	Accumulate	202	176
10	Greenpanel Industries	BUY	330	233
11	Havells India	Hold	1,717	1,665
12	Kajaria Ceramics	BUY	966	785
13	Kaynes Technology India	Accumulate	5,528	4,956
14	KEI Industries	BUY	4,278	2,880
15	Polycab India	BUY	7,152	5,286
16	R R Kabel	BUY	1,292	944
17	Supreme Industries	Accumulate	3,689	3,112
18	Syrma SGS Technology	BUY	629	469
19	Voltas	BUY	1,593	1,345

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly

## **ANALYST CERTIFICATION**

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We/I, Mr. Praveen Sahay- MBA Finance, Mr. Rahul Shah- MBA Finance Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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