




# Cyient Ltd.

**BUY**

Sector: IT

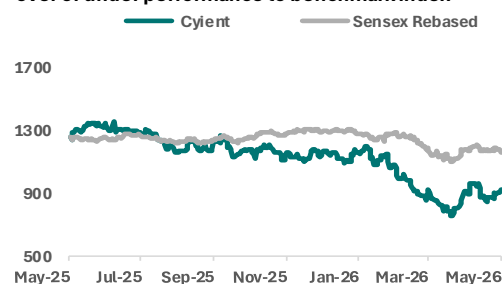
12<sup>th</sup> May 2026

<b>Key Changes</b>	<b>Target</b> 	<b>Rating</b> 	<b>Earnings</b> 	<b>Target</b>	<b>Rs. 1,111</b>		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 922</b>
Small Cap	CYL:IN	76,015	CYIENT	532175	12 Months	<b>Return</b>	<b>+20%</b>

Data as of: 11-05-2026, 18:00hrs

Company Data			
Market Cap (Rs. cr)	10,241		
52 Week High — Low (Rs.)	1,377 - 751		
Enterprise Value (Rs. cr)	9,171		
Outstanding Shares (Rs cr)	11.1		
Free Float (%)	75.8		
Dividend Yield (%)	3.3		
6m average volume (cr)	0.04		
Beta	1.5		
Face value (Rs)	5.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	23.3	23.3	23.3
FII's	17.6	15.3	15.3
MFs/Institutions	38.4	39.5	41.0
Public	20.7	21.9	20.4
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-15%	-20%	-27%
Absolute Sensex	-10%	-9%	-8%
Relative Return	-5%	-11%	-19%

\*over or under performance to benchmark index



Consolidated (Rs.cr)	FY26A	FY27E	FY28E
Sales	7,268	8,127	8,933
Growth (%)	-1.3	12	10
EBITDA	910	1,135	1,320
Margin(%)	13	14	15
PAT Adj.	492	681	788
Growth (%)	-20	38	16
Adjusted EPS	44	65	75
Growth (%)	-21	47	16
P/E	20	14	12
P/B	2	2	1
EV/EBITDA	9	7	6
ROE (%)	8	11	13
Adj. D/E	0.0	0.0	0.0

## A Strong Pipeline & Margin Expansion Drives Growth Recovery

**Cyient Ltd is one of the leading players in the IT-enabled services space, providing services to the Engineering Research and Development segment.**

- In Q4FY26, Cyient reported soft revenue growth of 1% YoY to Rs. 19,269cr. The design-led manufacturing (DLM) segment also faced de-growth in revenue by 14% YoY, and DET (digital engineering technology) surged by 7.4% YoY.
- Cyient's Q4FY26 margins declined, with EBITDA at 11.6% (down 425 bps YoY) and EBIT at 8% (down 421 bps YoY), largely due to continued investments in the semiconductor business.
- In DET, Transportation & Mobility delivered strong growth (+13.2% YoY CC), while Networks & Infrastructure (-2.8%) and Strategic Units (-21.7%) declined due to project deferrals, particularly in connectivity and energy, which led to revenue pushouts and a sharp near-term degrowth despite underlying demand remaining intact.
- In DLM, the Defense segment declined 68% YoY following the completion of a large order. However, the Aerospace segment remained the key growth driver, while the B2S and Automotive segments also contributed to overall business momentum.
- In the semiconductor business, the company reported Rs.66cr revenue in Q4 (7.7% QoQ growth) and secured the MeitY-backed Semiconductor Complex fab modernization program, while strengthening capabilities through the Kinetic Technologies stake, ASIC expansion, and proprietary power products.

## Outlook & Valuation

The company remains confident in its outlook, supported by a strong pipeline, with H2 bookings surpassing H1, driven by multi-year deals across rail, aerospace, and telecom. Near-term growth is uneven due to customer-related timing delays and deferred West Asia deals, while ongoing losses in the semiconductor business continue to weigh on profitability. However, the medium-term outlook remains positive, with the DET segment targeting mid to high single-digit growth and ~15% EBIT (~17-17.5% EBITDA) by Q4FY27, supported by a strong pipeline and improving execution visibility. We factor in Cyient's share buyback, which is expected to reduce the equity base, resulting in ~6% EPS accretion in FY27E and FY28E. **We expect earnings to grow by a CAGR of 27% during FY26-28E and maintain BUY rating with a revised target price of Rs. 1,111 based on SOTP valuation.**

## Quarterly Financials Consol.

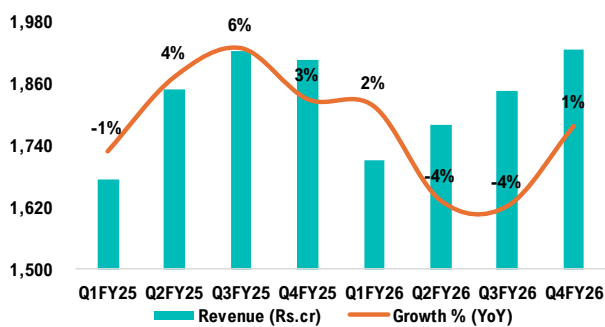
Rs.cr	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY25	YoY (%)
Sales	1,927	1,909	1	1,849	4	7,268	7,360	-1
EBITDA	224	303	-26	237	-6	910	1,143	-20
Margin (%)	12	16	-425	13	-122bps	13	16	-301bps
EBIT	156	235	-34	167	-7	632	876	-28
PBT	97	257	-62	142	-32	656	880	-25
Rep. PAT	55	170	-68	92	-40	428	616	-31
Adj. PAT	104	170	-39	122	-14	492	616	-20
Adj. EPS (Rs)	9	16	-40	11	-15	45	56	-21



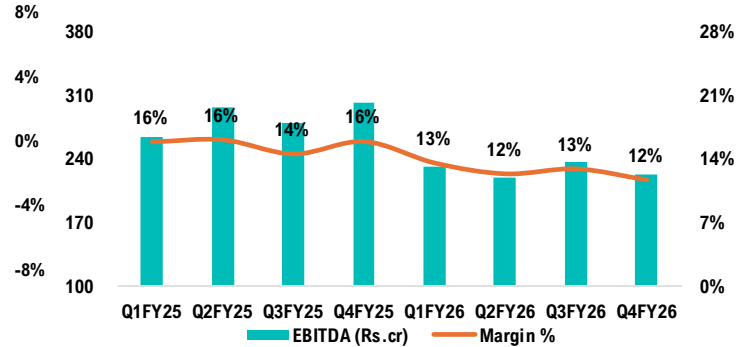
## Key Concall Highlights

- The Board approved a share buyback of up to Rs.720cr, involving 6.4 million shares (5.76% of equity) at Rs.1,125 per share, with promoters and key management personnel opting not to participate.
- Management indicated that the revenue slowdown is driven by timing-related delays, primarily due to deferred program starts by 2–3 key customers and the postponement of certain West Asia deals.

## Revenue



## EBITDA



## Financials (Cyient DLM)

Cyient DLM	Quarterly				Annual		
	Rs. cr	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)	FY27E
Revenue	303	444	-31.7	311	-2	1,588	1,969
EBITDA	27	28	-2.2	31	-12	168	227
EBITDA margins	9.1	6.3	274bps	10.0	-98bps	10.6	11.5
Adjusted PAT	11	11	2	32.1	-65	95	126
PAT Margins	3.7	2.5	123bps	10.3	-665bps	6.0	6.4
EPS	1.42	1.39	2.2	4.05	-65	12.0	15.9

## Financials (Cyient Ltd.)

Cyient (Standalone)	Quarterly				Annual		
	Rs. cr	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)	FY27E
Revenue	1545	1482	4.2	1,470	5	6,539	6,964
EBITDA	210	251	-16.4	188	12	967	1,093
EBITDA margins	14	17	-335bps	12.8	81bps	15%	16%
Adjusted PAT	110	111	-0.9	80	38	586	662
PAT Margins	7.1	7.5	-37bps	5.5	169bps	9%	10%
EPS	10	10	-1.4	6	56	53	59

## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	8,258	9,158	8,127	8,933	-1.6	-2.5
EBITDA	1,140	1,328	1,135	1,320	-0.4	-0.6
Margins (%)	14	15	14	15	17bps	27bps
Adj. PAT	706	814	681	788	-3.6	-3.2
EPS	64	74	65	75	1.6	1.7

## Sum of Parts (SOTP) Valuation

Particulars	Methodology	Multiple	% Holding	Value (Rs. cr.)	Value/Share (Rs.)
Cyient Ltd.	PE	13x	100.0%	9,848	940
Cyient DLM Ltd. (Discount of 20%)	PE	34x	52.12%	1,786	171
<b>Target price</b>				<b>11,634</b>	<b>1,111</b>



## Consolidated Financials

### Profit & Loss

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Sales</b>	<b>7,147</b>	<b>7,360</b>	<b>7,268</b>	<b>8,127</b>	<b>8,933</b>
% change	19	3	-1.3	12	10
<b>EBITDA</b>	<b>1,303</b>	<b>1,143</b>	<b>910</b>	<b>1,135</b>	<b>1,320</b>
% change	30	-12	-20	25	16
Depreciation	267	267	278	306	343
<b>EBIT</b>	<b>1,036</b>	<b>876</b>	<b>632</b>	<b>829</b>	<b>977</b>
Interest	116	93	61	71	71
Other Income	66	97	177	181	192
<b>PBT</b>	<b>918</b>	<b>880</b>	<b>656</b>	<b>939</b>	<b>1,097</b>
% change	26	-4	-25	43	17
Tax	216	227	182	258	309
Tax Rate (%)	23	26	28	28	28
<b>Reported PAT</b>	<b>683</b>	<b>616</b>	<b>428</b>	<b>681</b>	<b>788</b>
Adj.*	16	0	29	0	0
<b>Adj. PAT</b>	<b>735</b>	<b>616</b>	<b>492</b>	<b>681</b>	<b>788</b>
% change	31	-16	-20	38	16
No. of shares (cr)	11	11	11	10	10
<b>Adj EPS (Rs)</b>	<b>62</b>	<b>56</b>	<b>44</b>	<b>65</b>	<b>75</b>
% change	32	-10	-21	47	16
DPS (Rs)	30	26	26	26	27

### Cash Flow

Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Deprn.	969	916	741	681	788
Non-cash adj.	79	56	-4	-64	-239
Changes in W.C	-323	-182	50	-118	-124
<b>C.F. Operation</b>	<b>726</b>	<b>790</b>	<b>787</b>	<b>499</b>	<b>424</b>
Capital exp.	-43	-36	-9	-54	-55
Change in inv.	66	-80	46	16	-76
Other invest.CF	-556	-29	74	135	307
<b>C.F - Investment</b>	<b>-533</b>	<b>-145</b>	<b>112</b>	<b>97</b>	<b>176</b>
Issue of equity	15	6	2	-12	-7
Issue/repay debt	-248	-580	-53	-72	-71
Dividends paid	-306	-330	-329	-272	-283
Other finance.CF	282	861	-142	-21	-10
<b>C.F - Finance</b>	<b>-266</b>	<b>-58</b>	<b>-569</b>	<b>-1,085</b>	<b>-363</b>
Chg. in cash	-73	587	330	-489	237
<b>Closing cash</b>	<b>473</b>	<b>1,071</b>	<b>1,458</b>	<b>968</b>	<b>1,205</b>

### Balance Sheet

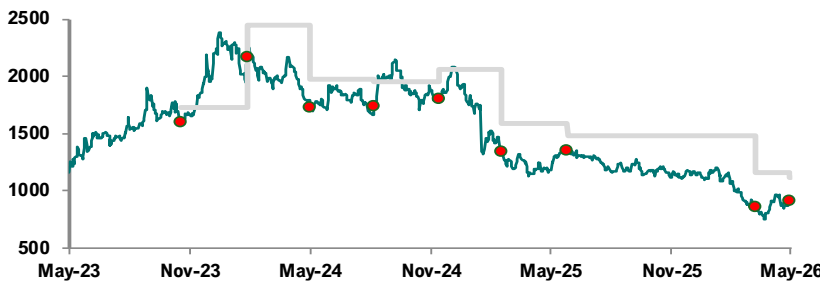
Y.E March (Rs. cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	984	1,314	1,506	1,017	1,254
Account Receivable	1,262	1,407	1,306	1,436	1,566
Inventories	468	577	653	718	776
Other Cur. Assets	334	291	284	273	290
Investments	436	502	457	399	400
<b>Gross Fixed Assets</b>	<b>1,127</b>	<b>1,184</b>	<b>1,184</b>	<b>1,239</b>	<b>1,294</b>
Net Fixed Assets	446	475	475	530	585
CWIP	2	8	5	4	3
Intangible Assets	2,436	2,526	2,610	2,684	2,784
Other Assets	637	597	1,029	1,029	1,032
<b>Total Assets</b>	<b>7,004</b>	<b>7,695</b>	<b>8,324</b>	<b>8,090</b>	<b>8,690</b>
Current Liabilities	1,369	1,119	1,342	1,450	1,560
Provisions	294	310	402	422	443
Debt Funds	453	214	166	137	116
Other Liabilities	331	291	251	230	215
Equity Capital	56	56	56	55	55
Reserves & Surplus	4,501	5,705	6,108	5,796	6,301
<b>Shareholder's Fund</b>	<b>4,557</b>	<b>5,760</b>	<b>6,163</b>	<b>5,851</b>	<b>6,356</b>
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>7,004</b>	<b>7,695</b>	<b>8,324</b>	<b>8,090</b>	<b>8,690</b>
BVPS	411	519	555	559	607

### Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab &amp; Return</b>					
EBITDA margin (%)	18.2	15.5	12.5	14.0	14.8
EBIT margin (%)	14.5	11.9	8.7	10.2	10.9
Net profit mgn.(%)	10.3	8.4	6.8	8.4	8.8
ROE (%)	17.5	12.7	8.0	11.3	12.9
ROCE (%)	16.9	11.8	7.4	9.8	11.3
<b>W.C &amp; Liquidity</b>					
Receivables (days)	61.0	66.2	68.1	61.6	61.3
Inventory (days)	23.1	25.9	30.9	30.8	30.5
Payables (days)	35.9	26.2	26.2	29.0	30.4
Current ratio (x)	2.1	3.0	2.9	2.6	2.7
Quick ratio (x)	1.6	2.2	2.0	1.7	1.8
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	6.2	6.4	6.1	6.7	7.1
Total asset T.O (x)	1.1	1.0	0.9	1.0	1.1
Int. covge. ratio (x)	8.9	9.4	10.4	11.7	13.7
Adj. debt/equity (x)	0.1	0.0	0.0	0.0	0.0
<b>Valuation</b>					
EV/Sales (x)	3.0	1.8	1.2	1.0	0.9
EV/EBITDA (x)	16.6	11.3	9.4	7.4	6.2
P/E (x)	30.1	22.8	20.1	13.7	11.8
P/BV (x)	4.9	2.4	1.6	1.6	1.5



## Recommendation Summary (last 3 years)



Dates	Rating	Target
26.Oct.23	Hold	1,732
05.Feb.24	Accumulate	2,447
10.May.24	Accumulate	1972
14.Aug.24	Accumulate	1,960
22.Nov.24	Accumulate	2,066
25.Feb.25	Accumulate	1,586
05.June.25	Hold	1,476
18.Mar.26	Buy	1,159
12.May.26	Buy	1,111

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%


### Not rated/Neutral


#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:

 Upgrade

 No Change

 Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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