Cyient Ltd (CYL)

4QFY26 Result Update | IT & ER&D Services

Sequential Growth, Margin Upside and Deal Momentum

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

24 April 2026

Rating	TP (Rs)	Up/Dn (%)
NEUTRAL	1,065	14

Market data		
Current price	Rs	936
Market Cap (Rs.Bn)	(Rs Bn)	104
Market Cap (US$ Mn)	(US$ Mn)	1,109
Face Value	Rs	5
52 Weeks High/Low	Rs	1376.9 / 750.3
Average Daily Volume	('000)	281
BSE Code		532175
Bloomberg		CYL.IN

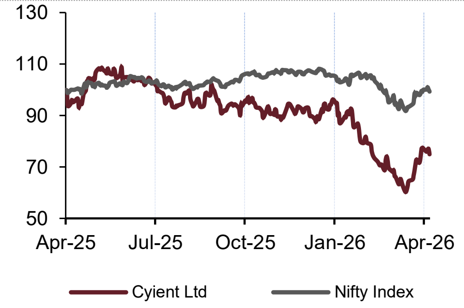
Source: Bloomberg

Cyient delivered a resilient operating performance in Q4 FY26 despite revenue softness caused by delayed client budget deployments and West Asia-related project push-outs. The DET segment reported revenue of USD 163.5 mn, down 2.4% QoQ in constant currency, while INR revenue grew 0.8% QoQ to Rs. 1,500 cr aided by currency tailwinds. EBIT margin remained steady at 12.4%, supported by 114 bps QoQ gross margin expansion, productivity gains and structural cost actions, despite leadership investments and forex headwinds. Cash generation remained strong, with DET FCF at Rs. 225 cr and FCF/PAT conversion of 163%.

Order momentum improved meaningfully in H2, with order intake growing 5.5% YoY and Q4 order intake up 23% YoY. Management highlighted multi-year wins across rail, aerospace, telecom/network design and communication services, indicating improving deal quality and client consolidation opportunities. While Q4 growth was impacted by timing delays, management clarified that these were not structural demand issues, and reiterated confidence in FY27 growth, targeting mid-to-high single-digit organic growth and working towards 15% EBIT margin by Q4 FY27.

The Semiconductor business continued to scale, reporting USD 7.2 mn revenue in Q4, its fourth consecutive quarter of sequential growth. Cyient completed a 74% majority stake acquisition in Kinetic Technologies, won the SCL fab modernization program, and is exploring a 10–12% fundraise for the semiconductor business to support working capital and establish an independent valuation. However, the business remains loss-making, with Q4 negative EBIT of USD 2.8 mn due to ongoing investments in sales, product management and IP creation. DLM remained muted on revenue but exited FY26 with its highest-ever order book and double-digit profitability of 10.3%, supporting a stronger FY27 outlook.

One Year Performance



Source: Bloomberg

% Shareholding	Mar-26	Dec-25
Promoters	23	23
Public	77	77
Total	**100**	**100**

Source: Bloomberg

Bharat Gulati
+91 22 67141412
bharat.gulati@dalal-broacha.com

Financial Summary

Y/E Mar (Rs mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net sales	45,344	60,159	71,472	73,604	73,444	79,818	88,094
EBITDA	8,178	10,031	13,028	11,433	9,055	10,513	11,667
Adjusted net profit	5,208	5,611	7,401	6,045	5,041	5,713	6,567
Free cash flow	4,613	5,497	7,847	4,004	8,178	6,352	7,835
EPS (Rs)	46.9	50.5	66.7	54.5	45.4	51.5	59.2
growth (%)	31%	8%	32%	-18%	-17%	13%	15%
P/E (x)	25.2	25.5	19.5	21.2	27.2	23.5	20.4
P/B (x)	4.2	3.8	3.1	2.4	2.4	2.3	2.2
EV/EBITDA (x)	14.9	13.3	9.6	10.3	12.7	10.9	9.5
ROCE (%)	14.7	14.4	15.8	11.2	8.5	9.0	10.0
RoE (%)	17.1	17.0	19.2	12.6	9.3	10.0	10.9
Dividend yield (%)	2.0	2.0	2.5	2.2	1.7	2.0	2.3

Source: Dalal & Broacha Research, Company

Valuation & Outlook

Cyient has entered an investment phase in its semiconductor vertical, which management highlighted as a strategic growth engine. The business has been carved out as a separate subsidiary, with plans for an independent fundraise of ~10–12% stake dilution to support working capital and establish standalone value. The segment continues to invest in product portfolio, IP and leadership, resulting in near-term losses, though management expects breakeven around FY27.

The near-term outlook remains impacted by execution challenges, including delays in client program starts and project push-outs, particularly in connectivity and energy segments. Management clarified that these are timing-related and not structural demand issues, with most deals expected to be deferred rather than cancelled. Despite this, order intake momentum improved, with H2 bookings up 5.5% YoY and Q4 witnessing 23% YoY growth, supported by multi-year deal wins across aerospace, rail and telecom.

Aerospace and transportation continue to remain strong growth drivers, with double-digit growth trends supported by long-cycle demand and strong positioning across the engineering lifecycle. However, margin pressures are likely to persist in the near term due to continued investments, revenue softness and geopolitical uncertainties. The company remains committed to improving profitability, targeting ~15% EBIT margin by Q4 FY27 through cost optimization, pricing and operational efficiencies.

Overall, while Cyient's long-term outlook remains supported by a strong pipeline, improving order intake and strategic investments in semiconductors and AI-led engineering, the near-term environment remains uncertain due to execution delays and demand volatility.

We maintain a NEUTRAL stance on the stock. Valuing the company at 18x FY28E EPS of Rs. 59, we arrive at a target price of Rs. 1,065.

Quarterly Result Analysis

Particular	4QFY26	3QFY26	QoQ Growth	4QFY25	YoY Growth
Revenue	19,269	18,485	4%	19,092	1%
Revenue ($Mn)	**210**	**207**	**1%**	**220**	**-5%**
Other Income	266	309	-14%	410	-35%
Total Income	**19,535**	**18,794**	**4%**	**19,502**	**0%**
Employee Cost	10,440	10,210	2%	9,425	11%
Other Expenses	3,961	3,960	0%	3,654	8%
Total Opex	**14,401**	**14,170**	**2%**	**13,079**	**10%**
Total Expenses	**16,754**	**16,113**	**4%**	**16,065**	**4%**
EBITDA (ex OI)	**2,515**	**2,372**	**6%**	**3,027**	**-17%**
Depreciation	679	701	-3%	679	0%
EBIT	**1,836**	**1,671**	**10%**	**2,348**	**-22%**
Finance Cost	145	141	**3%**	191	**-24%**
PBT (In Exceptional Item)	**967**	**1,416**	**-32%**	**2,567**	**-62%**
Tax Expenses	295	421	-30%	661	-55%
Reported PAT	**655**	**972**	**-33%**	**1,864**	**-65%**
Reported EPS	**5.0**	**8.3**	**-40%**	**15.3**	**-68%**
Margins			**Changes in bps**		**Changes in bps**
EBIT (ex OI)	9.5%	9.0%	49	12.3%	-277
PAT Margins	**3.4%**	**5.3%**	**-186**	**9.8%**	**-636**
Tax Rate	30.5%	29.7%	**78**	25.7%	**476**
Other Operational Matrix			**Changes in bps**		**Changes in bps**
EE as a % of sales	54%	55%	**-105**	49%	**481**
OE as a % of sales	21%	21%	**-87**	19%	**142**

Financials

Profit & Loss A/c							
YE March (Rs. mn)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Net Sales	**45,344**	**60,159**	**71,472**	**73,604**	**73,444**	**79,818**	**88,094**
Growth %	*9.7%*	*32.7%*	*18.8%*	*3.0%*	*-0.2%*	*8.7%*	*10.4%*
Total Revenue	**45,344**	**60,159**	**71,472**	**73,604**	**73,444**	**79,818**	**88,094**
Less:							
Increase/Decrease in Stock	-175	125	-235	33	70	0	0
Cost of Services	5,881	6,839	9,893	11,357	8,714	9,961	11,370
Employee Cost	22,665	30,260	35,120	36,899	40,261	43,381	49,200
SG&A Expenses & Other	8,795	12,904	13,666	13,882	15,343	15,964	15,857
Total Operating Expenditure	**37,166**	**50,128**	**58,444**	**62,171**	**64,388**	**69,305**	**76,427**
EBIDTA	**8,178**	**10,031**	**13,028**	**11,433**	**9,055**	**10,513**	**11,667**
Growth %	*34.1%*	*22.7%*	*29.9%*	*-12.2%*	*-20.8%*	*16.1%*	*11.0%*
Less: Depreciation	1,922	2,566	2,667	2,672	2,804	3,033	3,156
EBIT	**6,256**	**7,465**	**10,361**	**8,761**	**6,251**	**7,480**	**8,510**
Growth %	*50.6%*	*19.3%*	*38.8%*	*-15.4%*	*-28.6%*	*19.7%*	*13.8%*
Interest Paid	393	1,000	1,160	928	604	280	280
Non-operating Income	1,121	814	659	966	1,907	1,038	1,145
Extraordinary Income	0	-467	-676	-7	-216	0	0
Profit Before tax	**6,984**	**6,812**	**9,184**	**8,792**	**7,338**	**8,237**	**9,375**
Tax	1,761	1,668	2,259	2,386	2,048	2,059	2,344
Net Profit before Minority	**5,223**	**5,144**	**6,925**	**6,406**	**5,290**	**6,178**	**7,032**
Net Profit	**5,208**	**5,144**	**6,725**	**6,038**	**4,825**	**5,713**	**6,567**
Adjusted Profit	**5,208**	**5,611**	**7,401**	**6,045**	**5,041**	**5,713**	**6,567**
Reported Diluted EPS Rs	**46.9**	**46.3**	**60.6**	**54.4**	**43.5**	**51.5**	**59.2**
Growth %	*32.5%*	*-1.2%*	*30.7%*	*-10.2%*	*-20.1%*	*18.4%*	*14.9%*
Adjusted Diluted EPS Rs	**46.9**	**50.5**	**66.7**	**54.5**	**45.4**	**51.5**	**59.2**
Growth %	*31.1%*	*7.7%*	*31.9%*	*-18.3%*	*-16.6%*	*13.3%*	*14.9%*

Balance Sheet (Consolidated)							
YE March(Rs. mn)	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Liabilities							
Equity Capital	552	553	555	555	555	555	555
Reserves & Surplus	30,614	34,114	42,026	52,540	55,097	58,125	61,605
Equity	**31,166**	**34,667**	**42,581**	**53,095**	**55,652**	**58,680**	**62,160**
Net Deferred tax liability/(Asset)	3,800	5,644	8,091	9,168	8,168	7,168	6,168
Total Loans	**3,525**	**9,336**	**4,526**	**2,138**	**1,138**	**638**	**138**
Capital Employed	**38,491**	**49,647**	**55,198**	**64,401**	**64,958**	**66,486**	**68,466**
Assets							
Gross Block	11,128	11,664	11,265	11,839	12,573	13,771	15,092
Less: Depreciation	6,588	7,183	6,803	7,094	9,898	12,931	16,087
Net Block	**4,540**	**4,481**	**4,462**	**4,745**	**2,675**	**840**	**-995**
Capital WIP	134	27	16	75	75	75	75
Investments	**3,839**	**3,712**	**3,945**	**3,679**	**3,680**	**3,681**	**3,682**
Intangible Assets	6,662	21,413	21,089	22,432	22,432	22,432	22,432
Current Assets							
Inventories	2,790	4,358	4,676	5,766	4,407	4,789	5,286
Sundry Debtors	7,333	11,271	12,617	14,067	14,085	15,308	16,895
Current Investments	866	1,718	758	1,654	1,654	1,654	1,654
Cash and Bank Balance	12,666	7,194	9,835	13,142	17,370	19,639	23,071
Loans and Advances	6,078	7,659	8,224	7,337	7,321	7,956	8,781
Other Current Assets	2,965	3,648	4,414	4,049	4,040	4,391	4,846
Total Current Assets	**32,698**	**35,848**	**40,524**	**46,015**	**48,877**	**53,737**	**60,533**
Less:Current Liabilities							
Sundry Creditors	5,259	7,142	5,001	3,934	4,057	3,798	4,188
Provisions	414	1,137	1,144	1,355	2,114	3,298	5,144
Other Current Liabilities	3,709	7,555	8,693	7,256	6,610	7,184	7,928
Total Current Liabilities	**9,382**	**15,834**	**14,838**	**12,545**	**12,781**	**14,279**	**17,260**
Capital Applied	**38,491**	**49,647**	**55,198**	**64,401**	**64,958**	**66,486**	**68,466**

Cash Flows (Consolidated)							
YE December (Rs. Mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PAT	**5,208.0**	**5,144.0**	**6,725.0**	**6,038.0**	**4,824.8**	**5,713.0**	**6,566.6**
Less: Non Operating Income	(1,121.0)	(814.0)	(659.0)	(966.0)	(1,906.6)	(1,037.6)	(1,145.2)
Add: Depreciation	1,922.0	2,566.0	2,667.0	2,672.0	2,804.1	3,033.1	3,156.3
Add: Interest Paid	393.0	1,000.0	1,160.0	928.0	604.0	280.0	280.0
Operating Profit before WC Changes	**6,430.0**	**8,363.0**	**10,569.0**	**8,679.0**	**6,542.2**	**7,988.4**	**8,857.7**
Net Cash From Operations	**4,896.0**	**6,193.0**	**7,538.0**	**4,202.0**	**8,144.4**	**6,895.0**	**8,475.5**
Cash Flow from Investing Activities							
(Inc)/Dec in Fixed Assets	(1,592.0)	(2,507.0)	(2,648.0)	(2,955.0)	(734.4)	(1,197.3)	(1,321.4)
Cash Flow from Financing Activities							
Inc/(Dec) in Total Loans	175.0	5,811.0	(4,810.0)	(2,388.0)	(1,000.0)	(500.0)	(500.0)
Dividend Paid	(2,664.3)	(2,664.3)	(3,330.3)	(2,837.9)	(2,267.6)	(2,685.1)	(3,086.3)
Net Cash from Financing Activities	**(3,660.0)**	**4,545.0**	**(3,010.0)**	**2,230.0**	**(5,087.6)**	**(4,465.1)**	**(4,866.3)**
Net Inc/Dec in cash equivalents	**(1,984.0)**	**(5,472.0)**	**2,641.0**	**3,307.0**	**4,228.0**	**2,269.2**	**3,431.9**
Opening Balance	**14,650.0**	**12,666.0**	**7,194.0**	**9,835.0**	**13,142.0**	**17,370.0**	**19,639.2**
Closing Balance Cash	**12,666.0**	**7,194.0**	**9,835.0**	**13,142.0**	**17,370.0**	**19,639.2**	**23,071.1**

Key Financials							
YE March (Rs. mn)	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	**45,344**	**60,159**	**71,472**	**73,604**	**73,444**	**79,818**	**88,094**
Growth (Y-o-Y)	*9.7%*	*32.7%*	*18.8%*	*3.0%*	*(0.2%)*	*8.7%*	*10.4%*
EBIDTA	**8,178**	**10,031**	**13,028**	**11,433**	**9,055**	**10,513**	**11,667**
Growth (Y-o-Y)	*34.1%*	*22.7%*	*29.9%*	*(12.2%)*	*(20.8%)*	*16.1%*	*11.0%*
Net Profit	**5,208**	**5,144**	**6,725**	**6,038**	**4,825**	**5,713**	**6,567**
Growth (Y-o-Y)	*32.5%*	*(1.2%)*	*30.7%*	*(10.2%)*	*(20.1%)*	*18.4%*	*14.9%*
Adj. Net Profit	**5,208**	**5,611**	**7,401**	**6,045**	**5,041**	**5,713**	**6,567**
Growth (Y-o-Y)	*31.1%*	*7.7%*	*31.9%*	*(18.3%)*	*(16.6%)*	*13.3%*	*14.9%*
Adj. Diluted EPS	**46.9**	**50.5**	**66.7**	**54.5**	**45.4**	**51.5**	**59.2**
Growth (Y-o-Y)	*31.1%*	*7.7%*	*31.9%*	*-18.3%*	*-16.6%*	*13.3%*	*14.9%*
No of Diluted shares (mn)	**111**	**111**	**111**	**111**	**111**	**111**	**111**
Key Ratios							
EBIDTA (%)	**18.0%**	**16.7%**	**18.2%**	**15.5%**	**12.3%**	**13.2%**	**13.2%**
EBIT (%)	**13.8%**	**12.4%**	**14.5%**	**11.9%**	**8.5%**	**9.4%**	**9.7%**
NPM (%)	11.5%	8.6%	9.4%	8.2%	6.6%	7.2%	7.5%
Adj. NPM (%)	11.5%	9.3%	10.4%	8.2%	6.9%	7.2%	7.5%
RoE (%)	**17.1%**	**17.0%**	**19.2%**	**12.6%**	**9.3%**	**10.0%**	**10.9%**
RoCE (%)	16.7%	16.9%	19.8%	14.7%	9.7%	11.4%	12.6%
Tax Rate %	**25.2%**	**24.5%**	**24.6%**	**27.1%**	**27.9%**	**25.0%**	**25.0%**
Book Value Per share (Rs.)	281	312	384	478	501	529	560
Valuation Ratios							
P/E (x)	**25.2x**	**25.5x**	**19.5x**	**21.2x**	**27.2x**	**23.5x**	**20.4x**
Adjusted P/E (x)	**25.2x**	**23.3x**	**17.7x**	**21.2x**	**26.0x**	**23.5x**	**20.4x**
EV/EBITDA	14.9x	13.3x	9.6x	10.3x	12.7x	10.9x	9.5x
P/BV (x)	**4.2x**	**3.8x**	**3.1x**	**2.4x**	**2.4x**	**2.3x**	**2.2x**
Market Cap. / Sales (x)	2.9x	2.2x	1.8x	1.7x	1.8x	1.7x	1.5x

Source: Dalal & Broacha Research, Company

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Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992 | : equity.research@dalal-broacha.com