FROST & SULLIVAN

CYIENT

2022 CUSTOMER VALUE LEADER

EUROPEAN AUTOMOTIVE ENGINEERING SERVICE INDUSTRY

Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Cyient excels in many of the criteria in the automotive engineering service space.

Industry Challenges

Technological advances and evolving customer preferences are transforming automotive supply chains. Designing products and services for the customer of 2030 will be an increasingly challenging task for the automotive industry and its service providers.

In line with the connected, autonomous, shared, and electric (CASE) megatrends, car production needs to become virtual, circular, and time-efficient to keep pace with accelerated innovation cycles. Reprioritizing hardware, especially around electrification, and transforming into a software provider are two additional core challenges of the automotive industry. This also disrupts the supplier structure of the automotive value chain since one of the industry's biggest challenges is the talent and skills mismatch. Therefore, OEMs remain dependent on external support, and new co-development strategies are pivotal.

While there is an existing structure of engineering and IT service providers, Cyient emerged as an agile new leader. It offers skills and competencies to address gaps over the short term and drive innovation over the long term.

Offers Forward-thinking Services with Cross-industry Innovation

Technological innovations are breaking down traditional industry barriers to create cross-industry synergies. This pushes the automotive industry to innovate into unfamiliar spaces, for instance, in electrification that goes beyond the car (e.g., power grid or car communication with charging points).

While this leads to inflated R&D expenses, it also shows the need for cross-industry convergence. Unlike its competitors, Cyient excels at dealing with this additional layer of complexity due to its heritage.

Cyient brings cross-industry experience from other highly demanding industries like aerospace and defense, utilities, and medical technology into the automotive industry. This knowledge allows Cyient to be more innovative in its approach, versatile, swift, and think outside the box. The innovation edge and its broader perspective let Cyient equip companies with a competitive advantage while enhancing value for both its clients and their customers. The company boosted its tasks per account significantly, indicating customers' satisfaction with its Design-thinking service approach.

> *"Cyient brings cross-industry experience from other highly demanding industries like aerospace, utility, medical, and defense into the automotive industry, which its competitors do not offer."*
>
> ***- Vitali Bielski, Director Cyient***

Possesses High Loyalty from Automotive Customers

Cyient's success stories with companies such as John Deere or other leading American and European OEMs & Tier 1 suppliers showcase the loyalty of its longstanding customers. There is high competition in the engineering service industry. Companies often struggle to maintain steady business activities due to the immense transformation and budget reallocations. Yet, Cyient rapidly became a preferred supplier of various automotive players and drastically increased the service volume per client within the last 3 years. This is a testament to the company's brand equity, as customers partnering with Cyient perceive the brand as highly positive. For example, one engagement with a leading German tier 1 supplier started with 20 engineers. The company then scaled it to a complete work package model, including 120 full-time engineers within 4 years. Although Cyient is a newcomer in the automotive industry, this is just one of several success stories, including two more global German and Korean tier 1 suppliers.

Enables Fast Services and Scalability

Most competitors also struggle to meet the latest customer requirements in speed and time. Electrification, in particular, reduced the average car development cycle by half, pressuring OEM, supplier, and service provider deadlines. At the same time, most engineering service providers either excel at the end-to-end development of complete car domains or by overtaking certain steps within specific car development processes. In contrast, Cyient supports clients at both ends of the spectrum with more than 1,000 engineers. Its capabilities span designing (embedded) software and electronics, mechanical parts, and data services as well as testing and validation, particularly for the advanced driver assistance systems (ADAS), in-vehicle infotainment (IVI), and powertrain domains. Such proficiencies are core to Cyient's unique proposition, concluding with a circular, digital offering that allows its partners to achieve competitive differentiation with time-efficient process support across all car domains. While Cyient can be independent, regional hubs worldwide, mainly Europe, ensure fast reactions to potential issues.

Showcases Operational Speed and Quality across Domains

While customers value time efficiency, it also allows Cyient to turn around tasks efficiently. Its cross-industry legacy enables flexible and fast responses to processes or new requirements in an automotive market that currently converges with IT, digital, and software avenues in which Cyient excels. For example, the high-definition (HD) mapping engagement it did for TomTom, a pivotal client and market leader in geospatial and navigation data. In addition, existing German tier 1 suppliers expressed astonishment at Cyient's unique technical development approach for digital cockpit, drivetrain, and ADAS applications. This shows that Cyient can support various and the most disrupted vehicle domains such as powertrain, embedded software, or autonomous vehicles. Although results were on par with competitors' conventional offerings, Cyient used a different and faster approach. For instance, Cyient's Intelligent Supply Chain Tool resulted in 20% improvements in forecasting accuracy, 29% in stock reduction, and $15 million savings on stocking costs for a Fortune 100 diversified manufacturer. Beyond procurement for production, Cyient achieved a 40% cost savings with the virtualized LABView device simulation.

Delivers Outstanding Price/Performance Value

Cyient has a global engineering footprint in various locations across the United States, Europe, and Oceania (e.g., Florida, Brussels, Melbourne) and a global manufacturing footprint (US, India) to ensure proximity to customers and their cultures. Its new Smart Factory in Hyderabad, India, is especially important and notable. The company built the 150,000 sq. ft. facility to exemplify industry 4.0, vital to ensuring cost-efficient offerings. While the cost-savings advantage over its European competitors is a factor, the facility's operational excellence outweighs the regional wage factor. It also allows Cyient to compete with Indian engineering service competitors from a price perspective while adding local value. With services such as automated fault diagnosis, Cyient helped clients realize savings of about $6 million on existing processes. It did this by reducing hardware testing efforts, automating testing, and generating reports only for testing.

Employs an Experienced Workforce

With over 15,000+ employees, Cyient is in a unique position to meet and solve the most pressing challenges its customers face. For example, the embedded software team of 3,000 alone gathered more than 7 million hours of experience in various engagements. Therefore, Cyient can bridge the industry's significant technology-talent gap in software engineers. Besides software and data prowess, another example is its European subsidiary AnSem, a semiconductor development specialist. Cyient is in a commercial relationship with half of the top 10 automotive semiconductor suppliers that rely on AnSem's expertise. This enables Cyient to support OEMs in making their semiconductor value chain more robust. One more example of how Cyient's talent pool is pivotal for the automotive challenges of today and the future is the partnered solution with EOLOS. Cyient supports the industry by implementing sustainability and circularity themes and strategies, a unique offering compared to its competitors.

> *"Cyient's new 150,000 sq. ft. Smart Factory in Hyderabad exemplifies industry 4.0."*
>
> ***- Moritz Bedenk, Senior Consultant***

Conclusion

Frost & Sullivan recognizes Cyient as one of the most innovative and successful automotive engineering service industry companies offering turnkey solutions to the European automotive industry. Going beyond engineering needs and leveraging the company's cross-industry legacy, the offerings surpass competitors'. Cyient provides solutions for key growth areas in embedded systems, software, semiconductors, or the overall digital transformation of a smart value chain and production, enabling the automotive industry. This allows Cyient to answer its clients' most pressing challenges in CASE, talent-technology gaps, or value chain robustness. Its satisfied customers appreciate and trust Cyient, resulting in continuous service volume growth among its initial automotive clients.

For its strong overall performance, portfolio relevance, and customer acceptance, Cyient is recognized with Frost & Sullivan's 2022 European Customer Value Leadership Award in the automotive engineering service industry.

What You Need to Know about the Customer Value Leadership Recognition

Frost & Sullivan's Customer Value Leadership Award recognizes the company that offers products or services customers find superior for the overall price, performance, and quality.

Best Practices Award Analysis

For the Customer Value Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at http://www.frost.com.

The Growth Pipeline Engine™

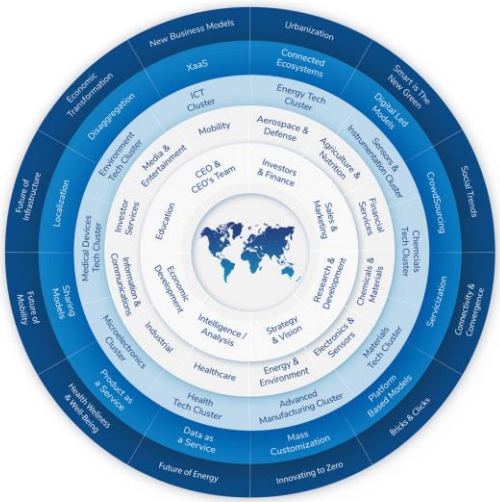
Frost & Sullivan's proprietary model to systematically create ongoing growth opportunities and strategies for our clients is fuelled by the Innovation Generator™.
Learn more.

Key Impacts:

- **Growth Pipeline:** *Continuous Flow of Growth Opportunities*
- **Growth Strategies:** *Proven Best Practices*
- **Innovation Culture:** *Optimized Customer Experience*
- **ROI & Margin:** *Implementation Excellence*
- **Transformational Growth:** *Industry Leadership*

The Innovation Generator™

Our 6 analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.



Analytical Perspectives:

- Mega Trend (MT)
- Business Model (BM)
- Technology (TE)
- Industries (IN)
- Customer (CU)
- Geographies (GE)