

January 30, 2024

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400001.

**Scrip ID:** KPITTECH  
**Scrip Code:** 542651

**Kind Attn:** The Manager,  
Department of Corporate Services

**National Stock Exchange of India Ltd.,**  
Exchange Plaza, C/1, G Block,  
Bandra - Kurla Complex, Bandra (E),  
Mumbai - 400051.

**Symbol:** KPITTECH  
**Series:** EQ

**Kind Attn:** The Manager,  
Listing Department

**Subject:-** Investor Update - Q3 FY 2024.

Dear Sir / Madam,

Please find enclosed the investor Update - Q3 FY 2024.

Kindly take the same on your records.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**

Nida Deshpande  
Company Secretary & Compliance Officer

Encl.: - as above

# KPIT

Reimagining Mobility *with YOU*

January 30, 2023

## Investor Update Q3FY24

KPIT Technologies Ltd.



# Forward Looking Statements

Some of the statements in this update that are not historical facts, are forward-looking statements. These forward-looking statements include our financial and growth projections, as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the competitive market for the type of services and solutions that we offer, market conditions that could cause our clients to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry. In certain cases, the numbers reported in this update might be rounded off to the nearest whole number.

# KPI1

## Performance Overview

Q3FY24

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# Performance Overview

- Q3FY24 Net Profit grows 55% Y-o-Y,
- Q3FY24 CC Revenue grows 31.5% Y-o-Y

## Revenue

- Reported \$ Revenue growth of 35.0% Y-o-Y.
- 4.3% CC growth, 2.7% Reported \$ growth, Q-o-Q

## EBITDA

- Q3FY24 EBITDA at 20.6%. Up 200 bps YoY.
- Y-o-Y EBITDA growth of 52.2%, Q-o-Q 7.7%

## PROFIT

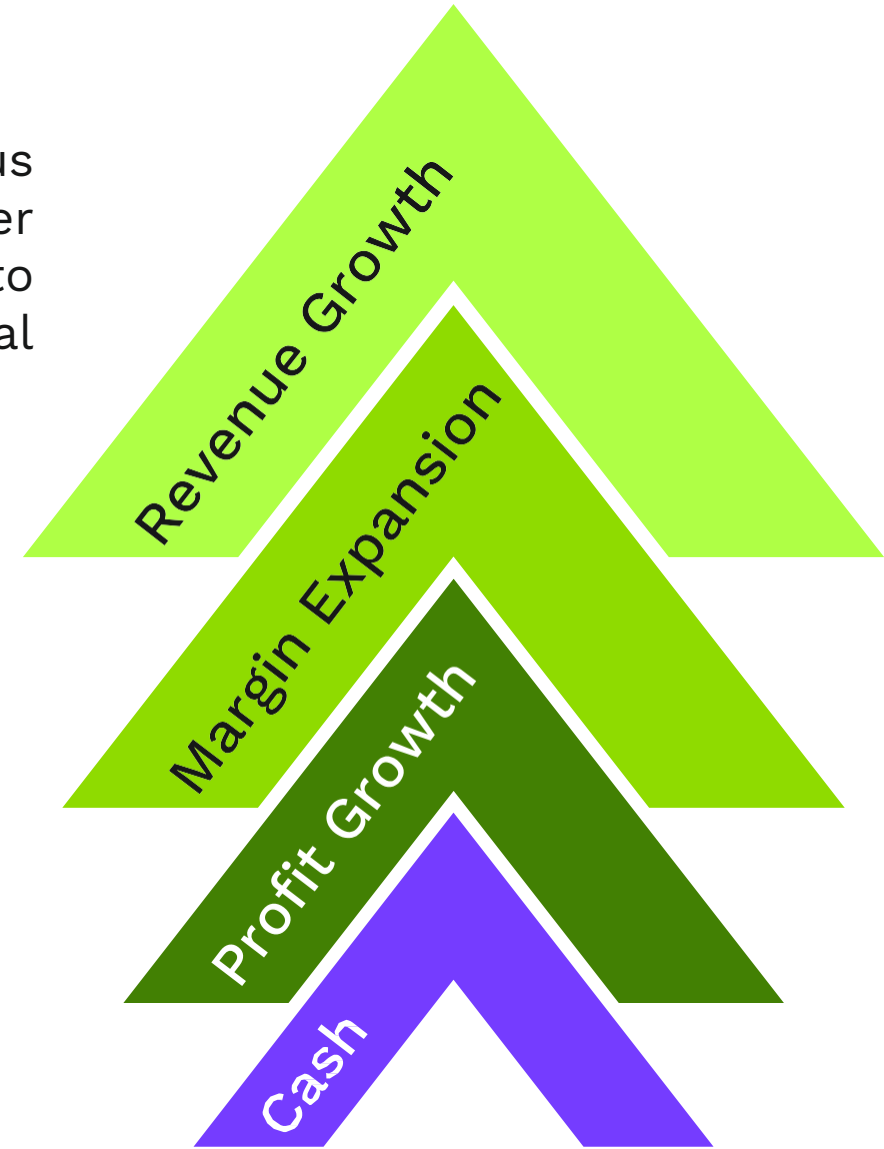
- Q3FY24 Net Profit at ₹ 1,553M
- Y-o-Y PAT growth of 54.6%, Q-o-Q 10.3%

## Wins and Pipeline

- \$ 189M worth engagements closed in the quarter
- Healthy Pipeline across practices

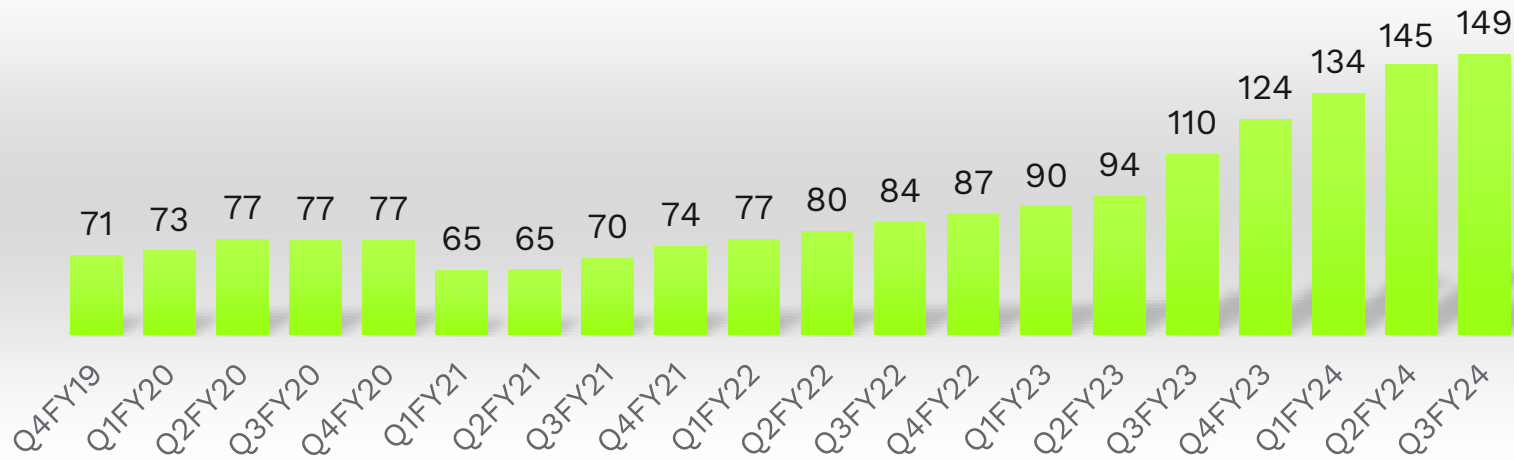
# Performance Highlights

- 01** Sequential CC Growth of 4.3% led by Powertrain, Autonomous and Connected domains. Growth was led by Passenger Vehicles in Europe & Asia. Cross currency impact due to higher mix of EURO, JPY and GBP revenues (~63% of total revenue) impacted Reported \$ Revenue
- 02** EBITDA margin expanded to 20.6% (20% last qtr.) up ~200 bps Y-o-Y, post addition of ~600 freshers and quarterly promotions. Margin expansion led by improved productivity and operating leverage coupled with a better realized rate.
- 03** Q3FY24 PAT grew 54.6% Y-o-Y. Other income was higher as compared to last quarter due to gains on hedging contracts. ETR was slightly higher as compared to last quarter, in-line with our annual outlook on ETR.
- 04** Net Cash Balance at the end of the quarter stood at ₹ 8.29 billion, depicting a net cash addition of ₹ 3.1 billion. DSO at the end of the quarter stood at 46 Days.



# Additional facts - timeseries

Revenue \$ Million

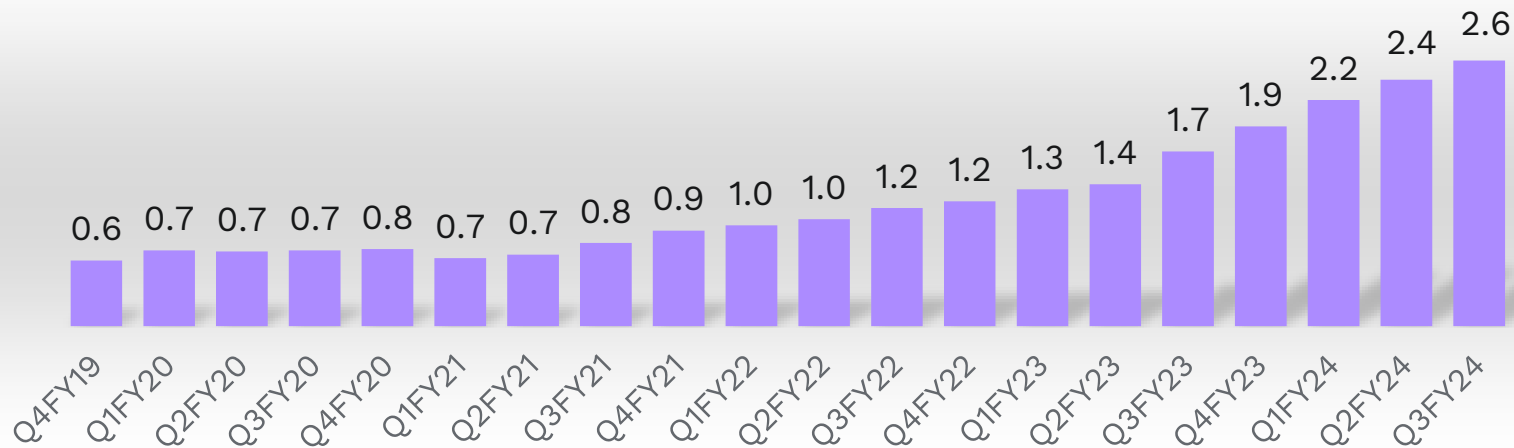


## Consistent Performance



14 Consecutive Quarters of Steady Revenue Growth

EBITDA ₹ Billion



14 Consecutive Quarters of Steady EBITDA Growth

# Management Quotes



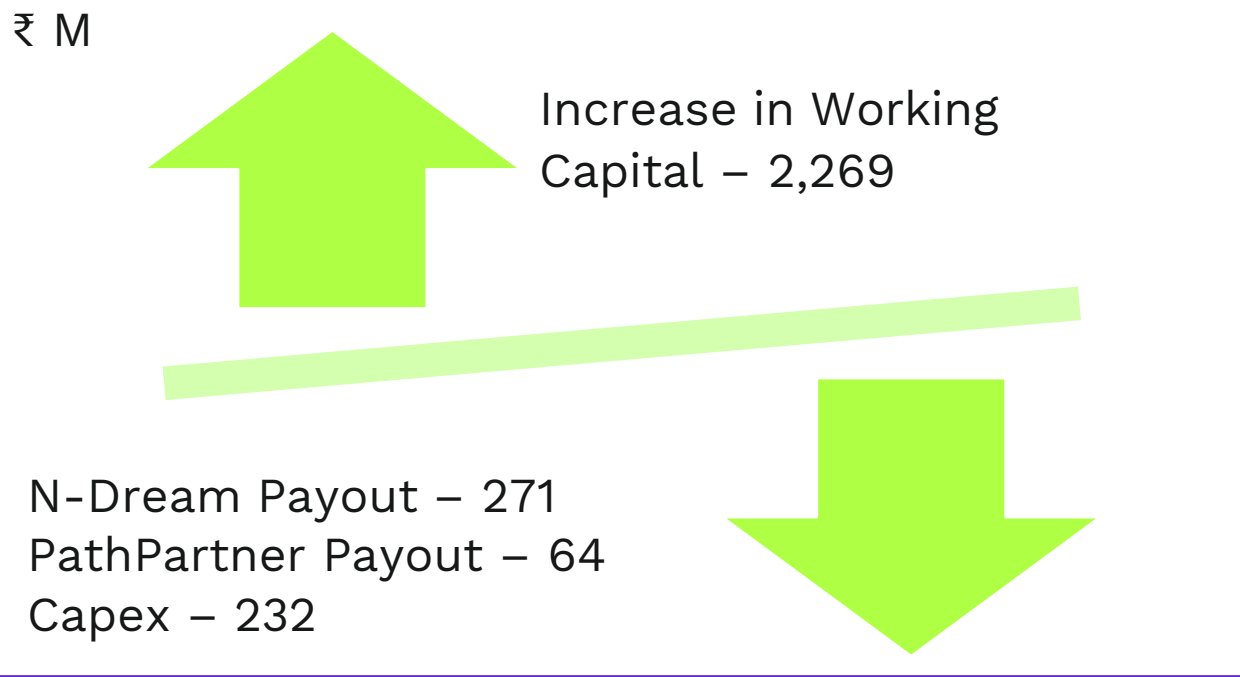
Kishor Patil, Co-founder, CEO and MD, KPIT said, “ We continue to focus on execution relentlessly and have been consistently reaping the benefits of our focus on the mobility industry, key technologies, key clients and key talent. The Q3FY24 revenues have been in line with our expectations, while we have delivered slightly ahead of expectations on the profitability front. Basis our performance so far, robust pipeline and the consistency of demand driven by new technology investments by our strategic clients, we are confident of meeting our upward revised outlook for the year”.



Sachin Tikekar, President and Joint MD, KPIT said, "We are witnessing broad based traction across technologies, clients, sub-verticals and geographies. We are increasing our strategic engagements in the quest to move towards being Trusted Partners for our strategic clients. As we have seen over the last 4 quarters, the attrition continues to fall and is now at historically low levels. We have significantly moved the needle in our quest for inclusive sustainability across KPIT. We have increased our investments in new technologies and competency development to enable us deliver complex engagements, successfully”.



# Cash Flow – Major Movement



NET CASH (₹ M)	Q3FY24	Q2FY24
Gross Cash	8,736	6,275
Long Term Debt	NIL	NIL
Short Term Debt	447	1,151
NET CASH	8,289	5,124

Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	1,829
In Investment Accounts (outside India)	1,966
In Operating Accounts	4,941
TOTAL	8,736



DSO Q3FY24 end : 46 Days

# New Engagements

TCV of new engagements won during the Quarter : \$ 189 million



A Leading Asian Car Manufacturer selected KPIT for multiple engagements in the Autonomous Driving and Vehicle Engineering domains.



Strategic engagements in the System Engineering for Body electronics domains for a leading European Car Manufacturer.



Several strategic engagements in the E-Powertrain domain for leading European OEMs in partnership with a leading Tier-1.



Strategic engagement in the Autonomous Driving domain for a leading European Car Manufacturer.



Several engagements in Vehicle Engineering domain for a leading American Commercial Vehicle Manufacturer.

# KPI1

## Other Updates

Q3FY24

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KPIT announced strategic investment in N-Dream AG, one of the early movers in the in-car casual gaming space

KPIT announced strategic investment in **N-Dream AG**, one of the early movers in the in-car gaming space. With N-Dreams' easy-to-launch casual gaming platform **AirConsole**, and KPIT's integration expertise, **this collaboration enables OEMs to transform experiences in the Cockpit of the Future.**

Families and friends will now enjoy their time while charging their cars, and the same experience can be seamlessly carried back into their homes.

Through these immersive in-cabin experiences, Automotive and mobility OEMs will be able to unlock new opportunities for consumer engagement and monetization, in their existing fleet of vehicles as well as in upcoming models.



KPIT won the Digital Impact Awards (Silver) 2023

KPIT has recently achieved a significant milestone by being awarded **Silver** at the **Digital Impact Awards**.

This recognition acknowledges KPIT's outstanding performance in the category of "Best Use of Existing Social Media Platforms."



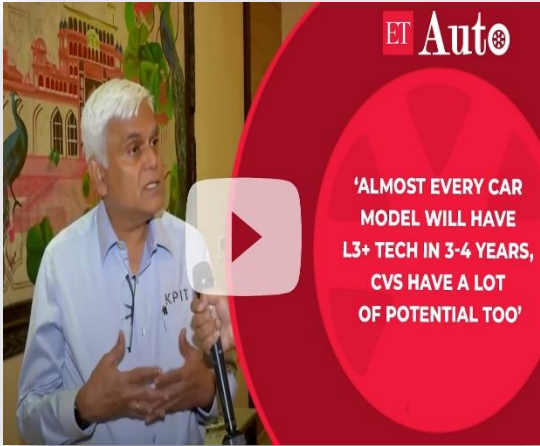
KPIT unveiled breakthrough Sodium-ion battery technology to alleviate Lithium dependency

KPIT has joined a small and elite group of sustainability-focused organizations worldwide that have developed **sodium-ion-based battery technology**.

This indigenous battery technology's cornerstone is utilizing earth-abundant raw materials, thereby making electric mobility more affordable.

This marks another milestone towards sustainable mobility in line with KPIT vision.





KPIT Co-founder, Managing Director, and CEO, Mr. Kishor Patil spoke to ET Auto about KPIT's autonomous driving programs, future opportunities, strong tech talent growth, and trends in SDV programs.

## Automakers increasingly asking us to go for virtualisation: KPIT CTO

SAMEER BANIAN BAKSHI  
Pune, November 23

**AUTOMOBILE MANUFACTURERS ARE** increasingly asking for virtualisation, a process which helps in testing the software used for modern car features without waiting for the actual hardware, said Anup Sable, chief technology officer (CTO) at KPIT Technologies.

The Pune-based engineering R&D company started virtualisation as a practice during the pandemic, when the world witnessed supply chain disruptions and the auto industry was hit by a severe shortage of chips and hardware.

Companies such as KPIT Tech need hardware from original equipment manufacturers (OEMs) to test their software. But hardware comes quite late in the process.

"If you look at the development process of a vehicle program, software development has to start right from Day 1. But the problem with software is that they have to run on some hardware to test and iterate," Sable said.



Anup Sable, CTO, KPIT Technologies

He added that the delay was due to contractual constraints. "How do you know what hardware you want till you understand what software you want to write? If you don't know what hardware you want, how will you specify it? And if the specification is not correct, the contract to Tier 1 (the direct vendor to OEMs) goes for a toss."

Clarity on hardware specifications can only come after the software is written. Sable said. "OEMs require about 300 features. Software can be written for all these features. Unless these features are developed, no one knows what are the specifications required for hardware." "Most of the time, coders think that the software they have written is correct, but unless they put it on hardware, they will not know whether it's actually right," he added.

Virtualisation has solved the industry problem because today, software developers don't have to wait for hardware to test their codes. "All cars, from design to actual production, take around three years. But using virtualisation, I can start testing for integration from Day 1," Sable said.

Cloud technology has helped make virtualisation a success. "Cloud has helped in giving us huge computing power," Sable added.

(The writer was in Pune at the invitation of KPIT Technologies)

KPIT Chief Technology Officer and Board Member, Mr. Anup Sable's interview was featured on Financial Express where he shares how automakers increasingly ask KPIT's expertise and cutting-edge solutions to accelerate their SDV virtualization programs.



KPIT was at the **ELIV - Electronics in Vehicles 2023** in Bonn, Germany

KPIT showcased how its accelerating the transformation towards **software-defined vehicles** and demonstrating how our cutting-edge work can make their **validation strategy SDV ready**.



KPIT was proud to be at the **Reuters Automotive USA Conference in Detroit** as gold sponsor

Mr. Chinmay Pandit, Head KPIT Americas and Board Member, spoke on 'Success Factors for Realizing SDV: Are car makers ready for their biggest bet yet?'

## Activities from #LifeAtKPIT



KPIT celebrated the **third edition** of 'Awards of Excellence' to recognize and honor teams who have made remarkable contributions to the organization and have shown exemplary performance in their respective fields.



KPITians around the **US** came together for the **Annual Picnic** with their respective families where they also interacted with **KPIT leadership team**.



KPITians in **Columbus** came together to teach the concept of Force & Motion to the students at **W. D. Richards Elementary School** as part of the **Chhote (Junior) Scientists** program.

# KPIT

## Financial & Operational Data

Snapshot

Reimagining Mobility *with YOU*



# Profit & Loss Account Snapshot

DETAILS	Q3FY24	Q2FY24	Q3FY23
Revenue from Operations	12,569.62	11,991.57	9,171.15
Other Income	173.87	85.94	210.59
Total Income	12,743.49	12,077.51	9,381.74
Operating Expenses	9,984.56	9,592.23	7,472.50
EBITDA	2,585.06	2,399.34	1,698.65
Depreciation	499.59	480.93	404.05
EBIT	2,085.47	1,918.41	1,294.60
Finance Costs	157.51	135.70	82.82
Change in FMV of Investments	14.04	8.72	(29.37)
Profit Before Exceptional Items	2,115.87	1,877.37	1,393.0
Exceptional items	-	-	-
Profit/(loss) from equity accounted investee	-	-	0.74
PBT	2,115.87	1,877.37	1,393.74
Tax	548.33	463.36	353.17
PAT	1,567.54	1,414.01	1,040.57
Profit Attributable to owners of Company	1,553.31	1,408.54	1,004.90
Profit Attributable to non-controlling interest	14.23	5.47	35.67

# Balance Sheet Snapshot

INR MN

ASSETS	Q3FY24	Q2FY24	EQUITY & LIABILITIES	Q3FY24	Q2FY24
<u>NON-CURRENT ASSETS</u>			Equity Share Capital	2,711.33	2,710.13
Property, Plant & Equipment	2,224.30	2,174.94	Other Equity	17,750.58	15,862.06
Right-of-use Assets	2,934.29	2,818.33	Equity attributable to owners	20,461.91	18,572.19
Other Tangible Assets	87.43	42.18	Non-controlling interests	145.53	131.20
Goodwill & Other Intangibles	14,645.95	14,211.21	<b>TOTAL EQUITY</b>	<b>20,607.44</b>	<b>18,703.39</b>
Other Non-Current Assets	1,619.20	1,287.73	<u>NON-CURRENT LIABILITIES</u>		
<b>TOTAL NON-CURRENT</b>	<b>21,511.17</b>	<b>20,534.39</b>	Borrowings	NIL	NIL
<u>CURRENT ASSETS</u>			Lease Liabilities	2,128.75	2,054.93
Inventories	925.67	890.50	Other Non-Current Liabilities	2,965.12	2,827.00
Cash and Cash Equivalents	8,736.37	6,275.16	<b>TOTAL NON-CURRENT</b>	<b>5,093.87</b>	<b>4,881.93</b>
Trade Receivables	7,502.28	6,926.29	<u>CURRENT LIABILITIES</u>		
Other Current Assets	1,790.94	2,819.66	Borrowings	447.07	1,151.21
<b>TOTAL CURRENT</b>	<b>18,955.26</b>	<b>16,911.61</b>	Trade Payables	2,450.32	2,491.95
<b>TOTAL ASSETS</b>	<b>40,466.43</b>	<b>37,446.00</b>	Lease Liabilities	604.18	549.90
			Others	11,263.55	9,667.62
			<b>TOTAL CURRENT</b>	<b>14,765.12</b>	<b>13,860.68</b>
			<b>TOTAL EQUITY AND LIABILITIES</b>	<b>40,466.43</b>	<b>37,446.00</b>

# Revenue Break-up

USD MN

Verticals*	Q3FY24	Q2FY24	Q3FY23	Q-o-Q	Y-o-Y
Passenger Cars	116.85	110.07	86.00	6.2%	35.9%
Commercial Vehicles	25.90	29.06	23.49	(10.9)%	10.3%

\* The balance revenues come from others, which is not a big area as of now

Business Units#	Q3FY24	Q2FY24	Q3FY23	Q-o-Q	Y-o-Y
Feature Development & Integration	93.11	89.72	71.53	3.8%	30.2%
Architecture & Middleware Consulting	27.61	29.40	18.07	(6.1)%	52.8%
Cloud Based Connected Services	28.42	26.08	20.85	9.0%	36.3%

#Feature Development & Integration - Electrification, AD-ADAS, Body Electronics and VED

Architecture & Middleware Consulting - Middleware, AUTOSAR

Cloud Based Connected Services - Intelligent Cockpit, Digital Connected Solutions and Diagnostics

Geography	Q3FY24	Q2FY24	Q3FY23	Q-o-Q	Y-o-Y
US	44.55	44.15	35.39	0.9%	25.9%
Europe	78.81	76.37	56.96	3.2%	38.4%
Asia	25.77	24.69	18.10	4.4%	42.4%

# P&L Metrics

	Q3FY24	Q2FY24	Q3FY23	Q-o-Q	Y-o-Y
<b>Revenue by Contract Type</b>					
Time & Material Basis	46.0%	48.6%	51.0%	(2.8)%	21.8%
Fixed Price Basis	54.0%	51.4%	49.0%	7.9%	48.8%
<b>Clients</b>					
Strategic Client Revenue	85.0%	84.0%	81.4%	3.9%	41.0%
Active Clients (Period End)	60	60	60		
Revenue per Devp. Employee USD	49,926	51,773	45,105		
R&D Expenditure (USD MN)	3.51	3.31	2.50		
EBITDA Margin	20.6%	20.0%	18.5%		
EBIT Margin	16.6%	16.0%	14.1%		
PAT Margin	12.4%	11.7%	11.0%		
Effective Tax Rate	25.9%	24.7%	25.3%		
EPS (Basic)	5.73	5.20	3.72		
EPS (Diluted)	5.69	5.16	3.68		

# Currency wise revenues, Hedging Details

Currency wise revenue	Q3FY24	Q2FY24	Q3FY23
USD	31.1%	31.1%	35.0%
EUR	45.9%	44.8%	46.1%
GBP	6.6%	7.1%	5.6%
JPY	10.6%	11.4%	6.5%
INR	3.3%	3.8%	4.3%
Others	2.5%	1.9%	2.5%

O/s Hedge Details	Q3FY24
<b>Hedge Rates</b>	
USD/INR	83.95
EUR/INR	92.78
GBP/INR	105.47
JPY/INR	0.60
<b>Hedge Amounts(Mn)</b>	
USD/INR	65.35
EUR/INR	34.92
GBP/INR	10.48
JPY/INR	3,175.00

# Headcount Data

Period End Headcount	Q3FY24	Q2FY24	Q3FY23	Q-o-Q	Y-o-Y
Development	11,949	11,219	9,795	-	-
Enabling & Sales	778	752	695	-	-
Total	12,727	11,971	10,490	-	-

KPIT

Contact Us

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# Conference Call Details

Conference name : KPIT Technologies Q3 FY2024 Post Earnings Conference Call

Date : Tuesday January 30, 2024

Time : 1730 Hrs.

Participants : Mr. Kishor Patil, Co-founder, CEO & MD  
Mr. Sachin Tikekar, President, Joint MD  
Mrs. Priya Hardikar, CFO  
Mr. Anup Sable, CTO  
Mr. Sunil Phansalkar, Head-IR

Dial-in Numbers for all participants

Primary number : +91 22 6280 1116

Local Access : +91 22 7115 8017

[Click here for your Diamond Pass](#)

International Numbers: USA - 1 866 746 2133 | UK - 0 808 101 1573

Singapore - 800 101 2045

Hongkong - 800 964 448

## About KPIT Technologies

KPIT (BSE: 542651; NSE: KPITTECH), KPIT is a global technology company with software solutions that will help mobility leapfrog towards autonomous, clean, smart and connected future. With 11,000+ Automobelievers across the globe, specializing in embedded software, AI & Digital solutions, KPIT enables clients accelerate implementation of next generation mobility technologies. With development centers in Europe, USA, Japan, China, Thailand and India – KPIT works with leaders in mobility and is present where the ecosystem is transforming. <sup>25</sup>



# Contact

For Investor Queries



Email

[Sunil.Phansalkar@kpit.com](mailto:Sunil.Phansalkar@kpit.com)



Desk Phone

+ 91 20 6770 6997




Cell

+ 91 98509 66011



Website

[www.kpit.com](http://www.kpit.com)

A stylized black profile icon of a person's head and shoulders, set against a green background.

**Sunil Phansalkar**

# Contact

For Media Queries



Email

[Sunil.R@kpit.com](mailto:Sunil.R@kpit.com)



Desk Phone

+ 91 80 6606 6000 (7865)



Cell

+ 91 99001 50180



Website

[www.kpit.com](http://www.kpit.com)



Sunil B R

# KPIT



Vietnam Campus



Shanghai Campus



Bangkok Campus



Munich Campus



Pune Campus



Novi Campus



Bengaluru Campus

# THANK YOU !!

KPIT Technologies Ltd.

