

July 25, 2023

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 - Q1 FY 2024.

Dear Sir / Madam,

Please find enclosed the investor Update - Q1 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*

July 25, 2023

Investor Update Q1FY24

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.

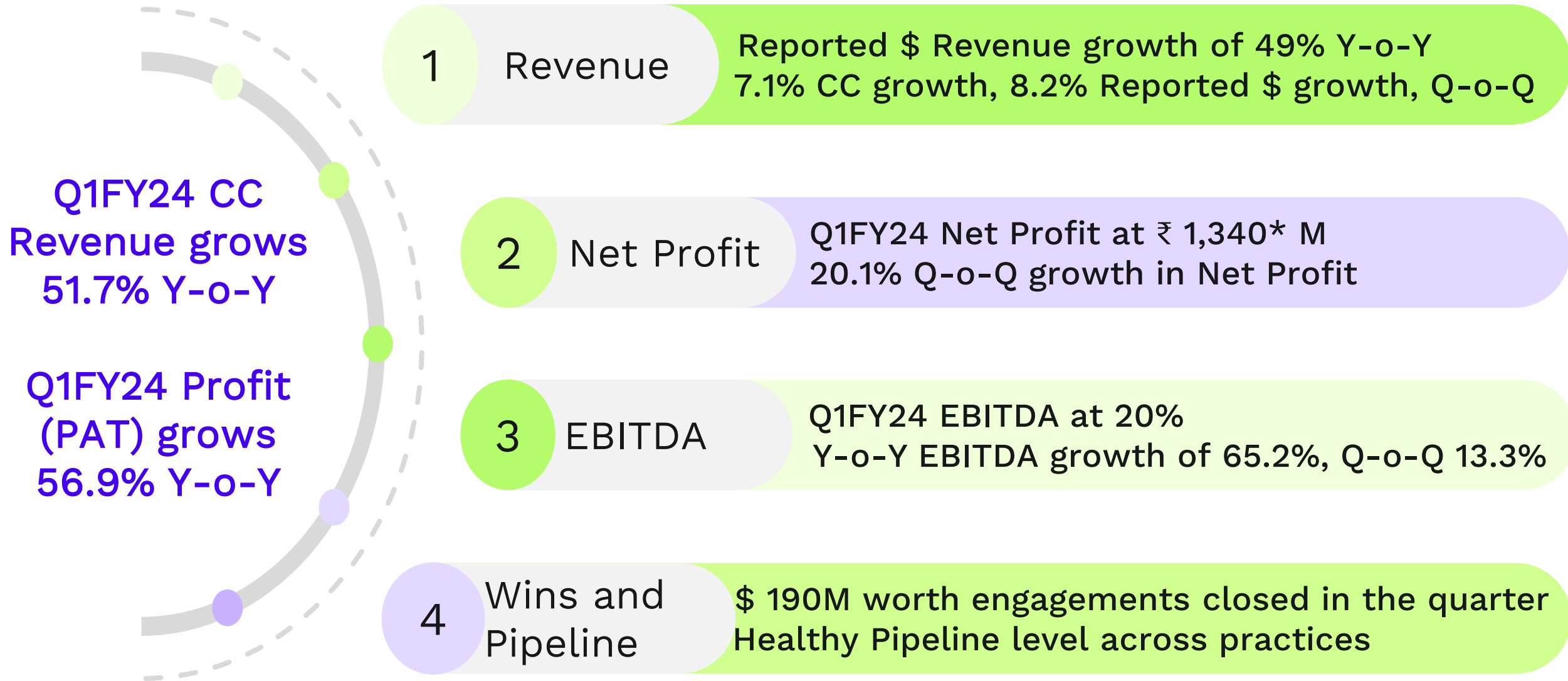
KPI1

Performance Overview

Q1FY24

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Performance Overview



KPIT

**In line with IND AS 103, a one-time gain of ₹ 134 M resulting from remeasuring of earlier FMS equity stake at the acquisition date FMV has been taken in Q1FY24, excluding which PAT is ₹ 1,206 M*

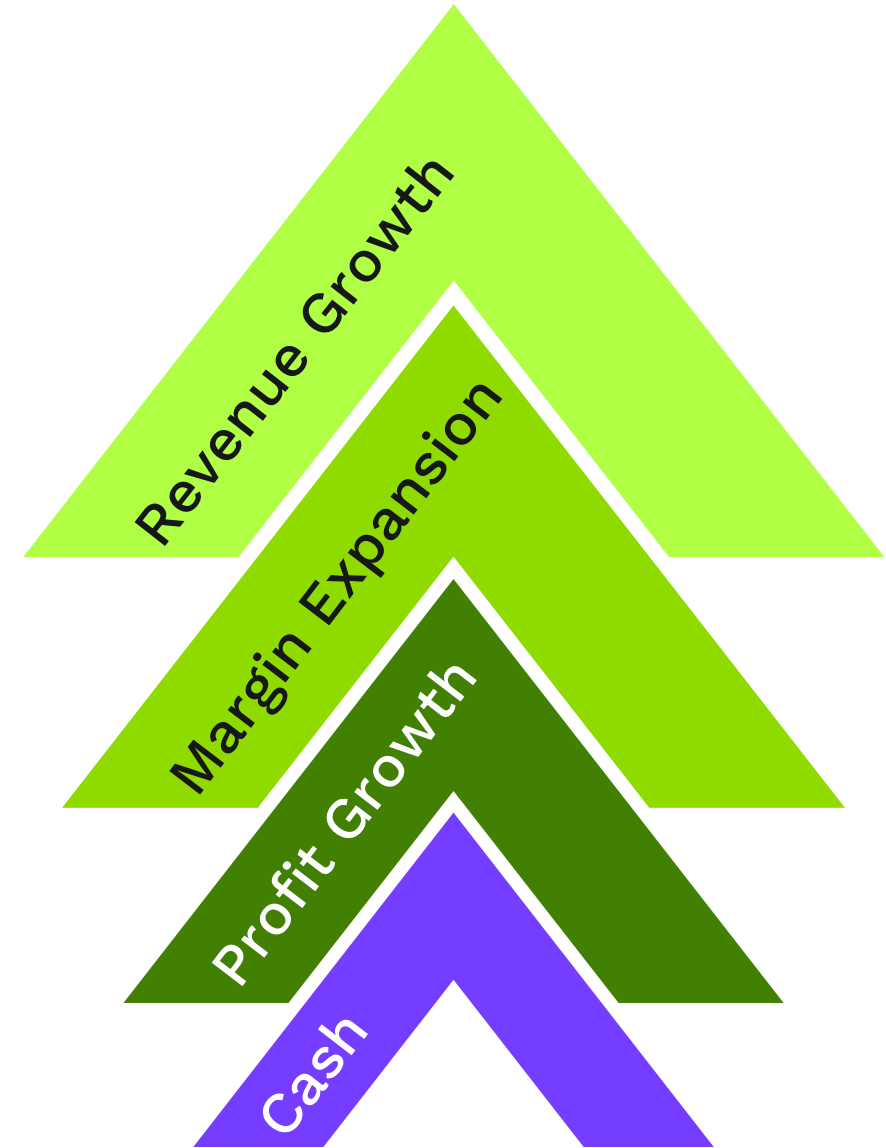
Performance Highlights

01 Growth led by Strategic Accounts, Middleware and Architecture, Electric Powertrain and Connected Vehicles. Balance 75% stake in FMS acquired during the quarter. FMS contributed USD 1.7 M to revenue during the quarter

02 EBITDA margin expansion of 90 bps for the quarter led by revenue growth resulting in fixed costs leverage and operational efficiencies.

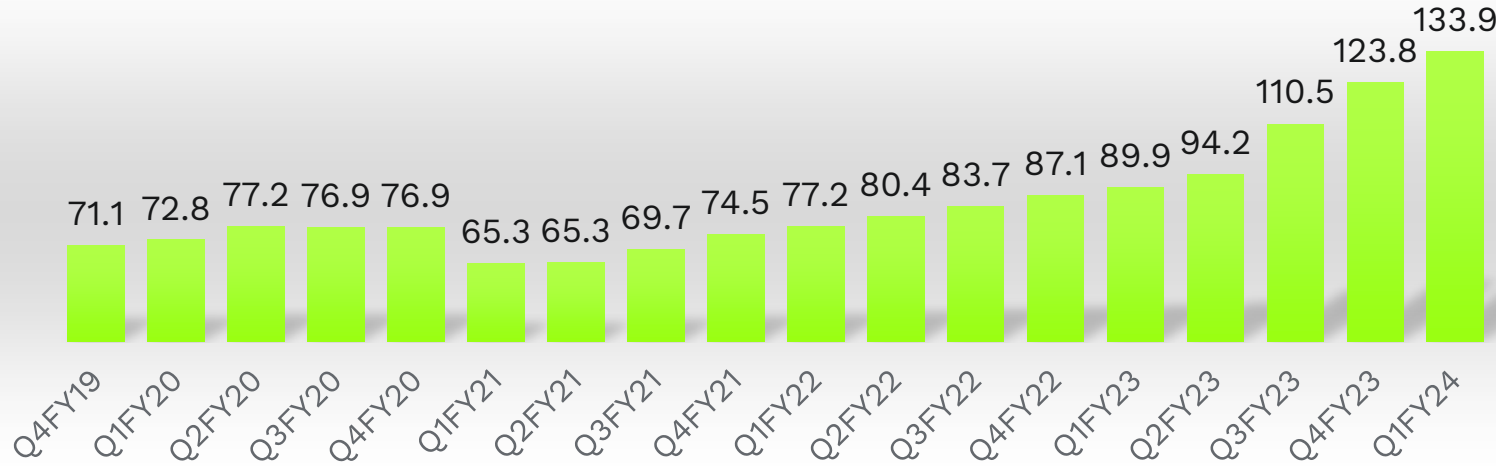
03 Impact of Purchase Price Allocation (FMS acquisition) of ₹ 11.4 M reflected in Depreciation. One time gain of ₹ 134 M accounted for in the quarter, resulting from remeasuring of earlier FMS equity stake, at acquisition date FMV. Q1FY24 other income was higher as compared to last quarter due to lower loss on realization and ₹ depreciation against the Euro & GBP. ETR increased Q-o-Q due to absence of one-time tax credits reported last quarter.

04 Net Cash at quarter end stood at ₹ 5.26 billion post Acquisition payouts of ₹ 2,429 million (Technica, FMS and Somit). DSO stood at 50 days.



Additional facts - timeseries

Revenue \$ M

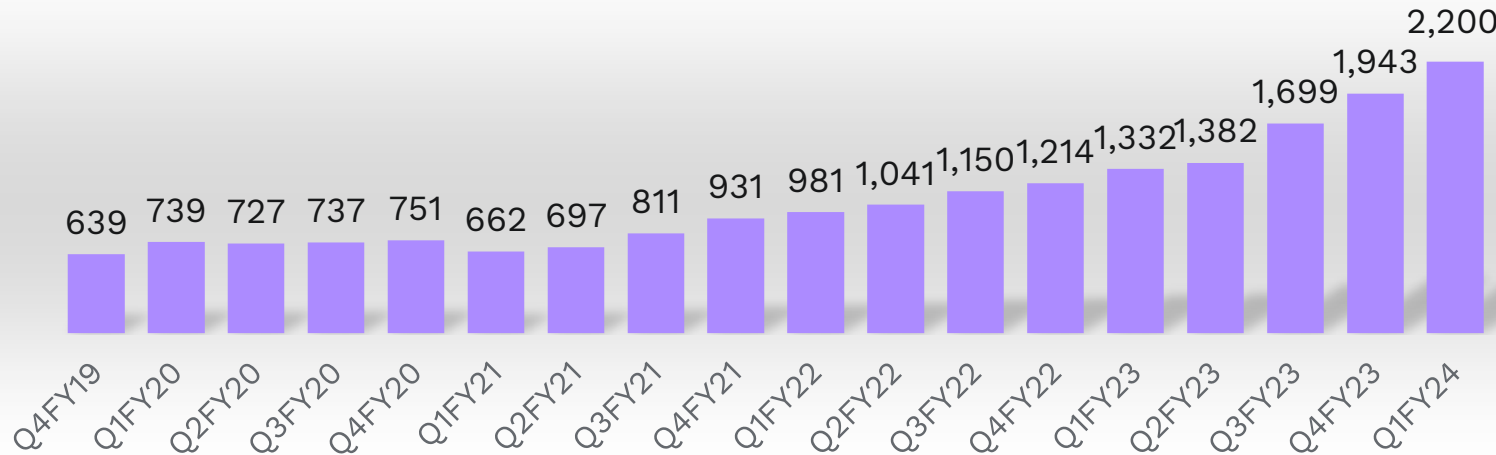


Consistent Performance



12 Consecutive Quarters of Steady Revenue Growth

EBITDA ₹ M



12 Consecutive Quarters of Steady EBITDA Growth

Management Quotes

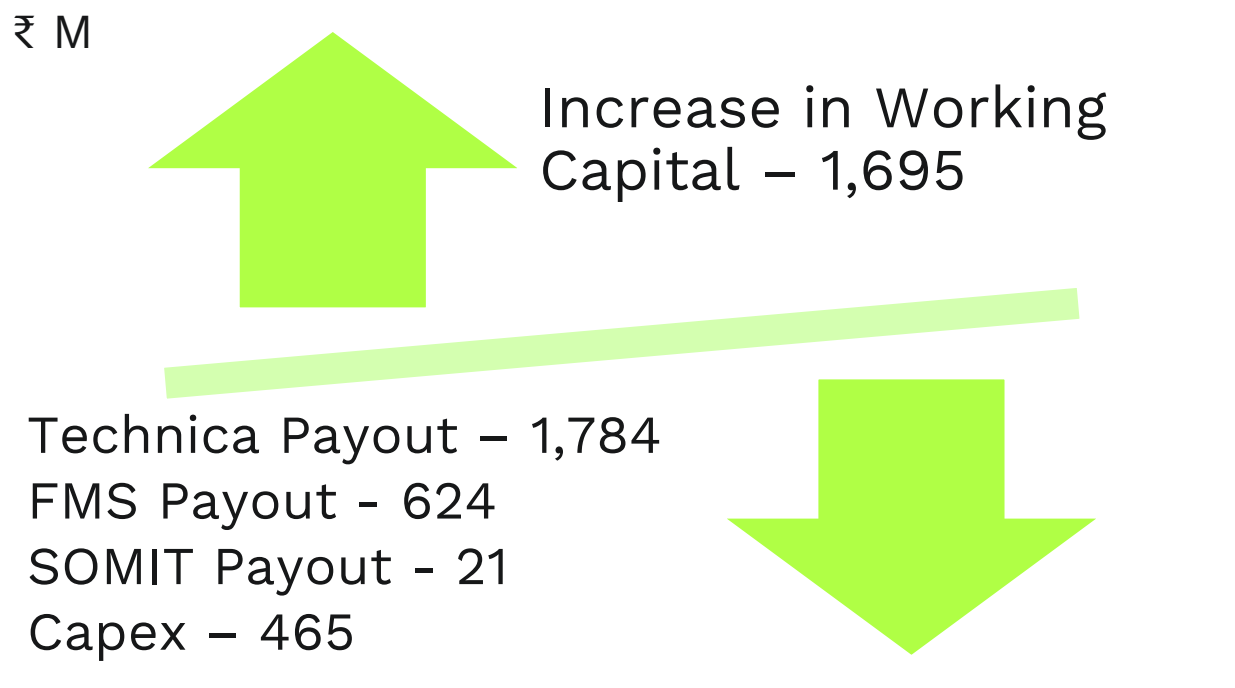


Kishor Patil, Co-founder, CEO and MD, KPIT said,” We have started the year on a positive note and have delivered a robust all-round performance in line with our expectations of a stronger first half. Opportunities remain stronger as mobility players continue to invest in new technologies, in the areas of electrification, vehicle autonomy, connectivity and personalization. We have a healthy pipeline and are slightly ahead in the ramp up of the mega strategic engagements announced last year. This gives us a fair medium-term visibility and we are confident of reaching our stated outlook of revenue growth and operating margins for FY2024”.



Sachin Tikekar, Co-founder and Joint MD, KPIT said,” We are experiencing greater traction with our strategic clients as we move further in creating trusted partnerships with our clients to help them accelerate their transformation. The attrition has been consistently falling over the last 3 quarters. We are investing in improving the quality of hires and building the right competencies and technologies to enable flawless execution. We have started baselining sustainability and co-creating a roadmap with our employees and look forward to scaling our impact in creating a cleaner, smarter, safer world in the years to come through our offerings, operations, and employees.”.

Cash Flow – Major Movement



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	1,070
In Investment Accounts (outside India)	887
In Operating Accounts	3,770
TOTAL	5,727

NET CASH (₹ M)	Q1FY24	Q4FY23
Gross Cash	5,727	6,288
Long Term Debt	NIL	NIL
Short Term Debt	465*	486*
NET CASH	5,262	5,802



DSO Q1FY24 end : 50 Days

** Debt in the books of Technica which will be repaid over the next 4 quarters*

New Engagements

TCV of new engagements won during the Quarter : \$ 190 million



Multiple strategic engagements in autonomous driving, body electronics and diagnostics for a leading European Car Manufacturer



A few strategic engagements in the electric powertrain domain for a leading American Car Manufacturer



Several engagements in the middleware and architecture consulting and electric powertrain domains for a leading American Car Manufacturer

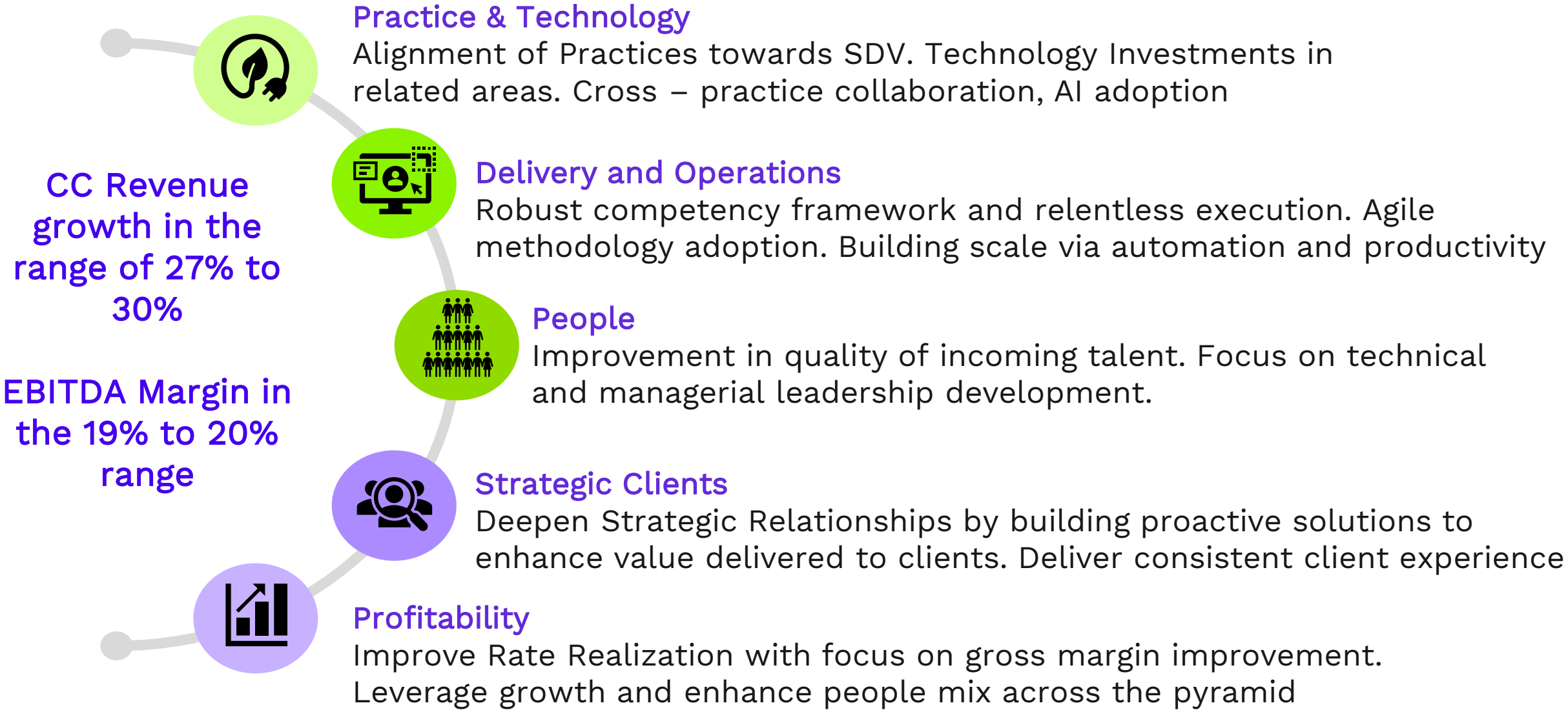


Multiple strategic programs in autonomous driving and body electronics domains for a leading European Car Manufacturer.



Various strategic engagements in the vehicle engineering and connected domains for a leading American Commercial Vehicle Manufacturer

FY24 Outlook



KPI1

Other Updates

Q1FY24

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KPIT won the ET Energy Hydrogen Leadership Award

KPIT won the **ET Energy Hydrogen Leadership Award** - a category that recognizes an organization that has demonstrated outstanding efforts in advancing the use of Hydrogen as a clean and sustainable source.



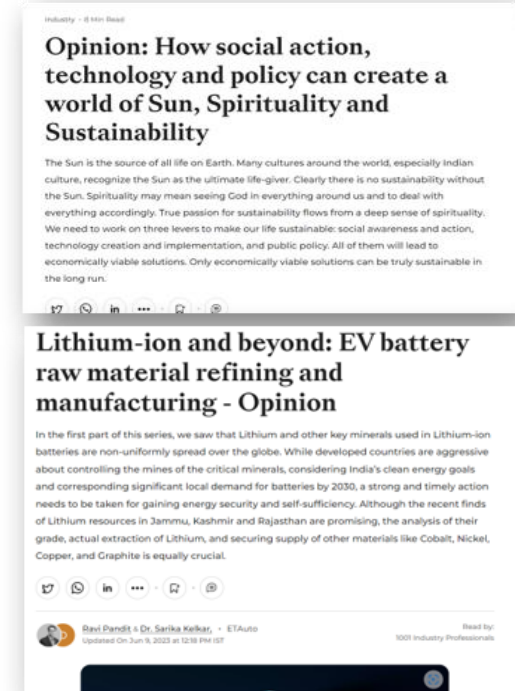
KPIT leaders featured on popular media outlets



KPIT Co-founder and Chairman, Mr. Ravi Pandit was invited as a distinguished speaker at the **ETAuto Tech Summit 2023** held in Bangalore. His presentation centered on the **Hardware and Software Technology Trends in the Mobility Industry**.



KPIT Co-founder, Managing Director, and CEO, **Mr. Kishor Patil** spoke to **Automobilwoche**, one of Germany's prominent automotive industry newspapers. In this interview, he talks about the importance of KPIT's strategic partnerships, talent attraction and development, expanding footprint in Europe with Technica Engineering, partnership with ZF and more.



Mr. Ravi Pandit has contributed a series of articles on Green Energy Technology which was published regularly on **ET Auto**.

Activities from #LifeAtKPIT



KPIT US office was filled with the energy of little ones as we celebrated 'Bring Your Kids to Work Day'!

We loved having our colleagues' children visit us and showed them what we work on every day.



We celebrated **#MothersReimaginingMobility** on the occasion of Mother's Day.

During this week-long campaign, we covered stories featuring mothers across KPIT offices globally in which they shared how they get to work on cutting-edge technologies and also excel beyond their life at work.

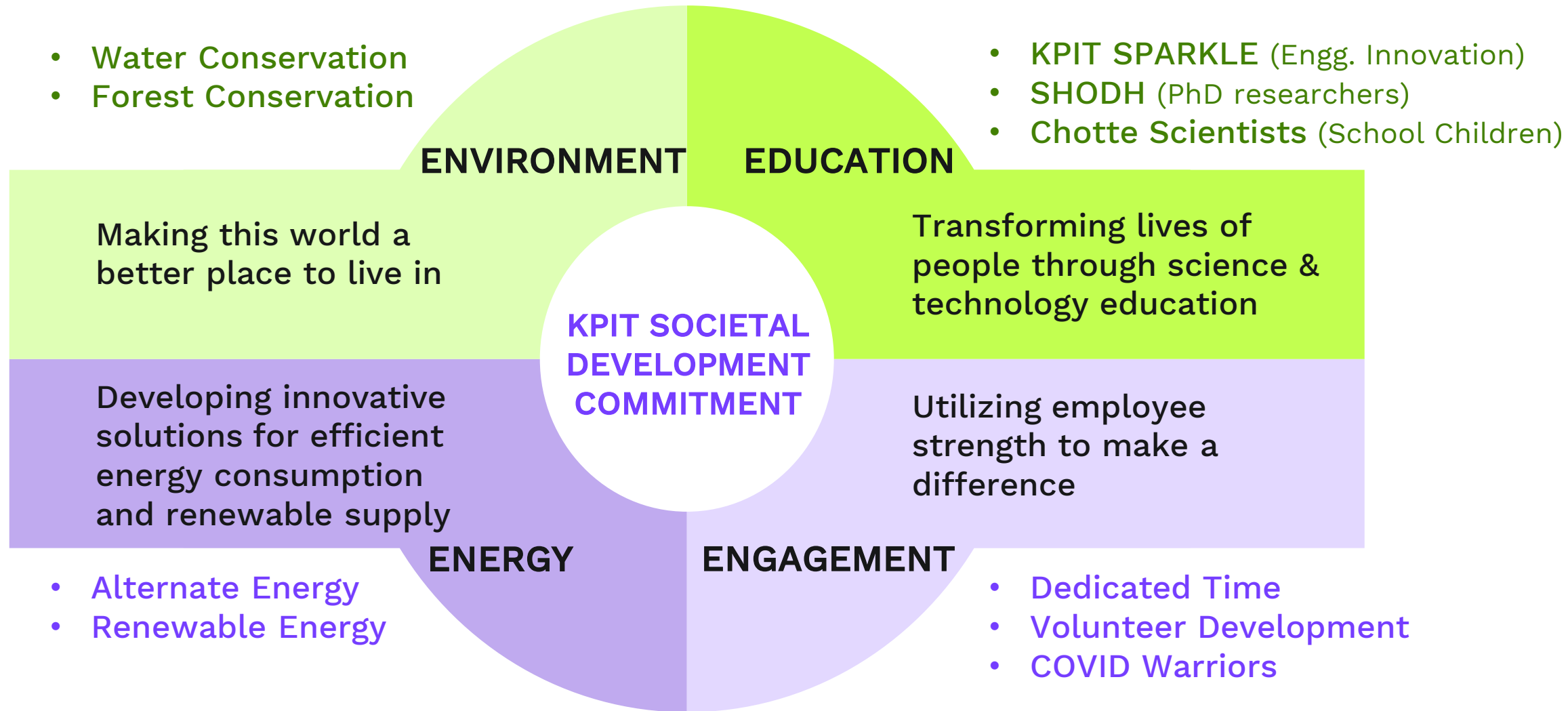


KPIT partnered with **Maharshi Karve Stree Shikshan Sanstha (MKSSS) Pune**, to empower women from economically weaker sections of society.

This program was started in 2021 to support families who lost their livelihoods during the COVID-19 pandemic. A total of **245 women** have completed the courses. This year, a larger group of **285 women** from different parts of the city have completed the training.

Priya M. Hardikar, Member of the Executive Board & CFO, and **Avinash Badave**, AVP-Global Delivery Head-VED Practice, visited the training center and presented certificates to these women. Additionally, Avinash Badave inaugurated another tailoring training center, which will train multiple batches of women

KPIT – Societal Development Commitment



KPIT is a Socially Responsible Corporate Citizen in each country it works

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Financial & Operational Data

Snapshot

Reimagining Mobility *with YOU*

Profit & Loss Account Snapshot

INR MN

DETAILS	Q1FY24	Q4FY23	Q1FY23
Revenue from Operations	10,976.22	10,173.67	6,857.24
Other Income	78.16	62.60	152.89
Gain on account of Business Combinations	134.13	-	-
Total Income	11,188.51	10,236.27	7,010.13
Operating Expenses	8,837.42	8,350.16	5,525.51
EBITDA	2,200.12	1,942.57	1,331.73
Depreciation	450.44	422.10	310.23
EBIT	1,749.68	1,520.47	1,021.50
Finance Costs	137.10	106.57	63.43
Change in FMV of Investments	2.79	(0.51)	6.12
Profit Before Exceptional Items	1,766.34	1,356.93	1,117.08
Profit/(loss) from equity accounted investee	-	5.10	3.77
PBT	1,766.34	1,362.03	1,120.85
Tax	421.95	246.21	244.26
PAT	1,344.39	1,115.82	876.59
Profit Attributable to owners of Company*	1,339.98	1,116.00	854.28
Profit Attributable to non-controlling interest	4.41	(0.18)	22.31

This includes forex loss of INR 61.32 million

Balance Sheet Snapshot

INR MN

ASSETS	Q1FY24	Q4FY23	EQUITY & LIABILITIES	Q1FY24	Q4FY23
<u>NON-CURRENT ASSETS</u>			Equity Share Capital	2,706.02	2,703.46
Property, Plant & Equipment	2,141.45	2,143.89	Other Equity	15,333.75	13,811.92
Right-of-use Assets	2,849.68	2,594.34	Equity attributable to owners	18,039.77	16,515.38
Other Tangible Assets	83.16	56.43	Non-controlling interests	123.19	117.56
Goodwill & Other Intangibles	14,293.06	12,374.96	TOTAL EQUITY	18,162.96	16,632.94
Other Non-Current Assets	1,308.65	1,392.58	<u>NON-CURRENT LIABILITIES</u>		
TOTAL NON-CURRENT	20,676.0	18,562.20	Borrowings	NIL	NIL
<u>CURRENT ASSETS</u>			Lease Liabilities	2,090.72	1,864.28
Inventories	863.85	587.50	Other Non-Current Liabilities	2,818.71	3,827.99
Cash and Cash Equivalents	5,726.93	6,287.97	TOTAL NON-CURRENT	4,909.43	5,692.27
Trade Receivables	6,026.95	5,924.40	<u>CURRENT LIABILITIES</u>		
Other Current Assets	3,211.16	2,643.68	Borrowings	465.27	486.03
TOTAL CURRENT	15,828.89	15,443.55	Trade Payables	2,300.33	1,643.35
TOTAL ASSETS	36,504.89	34,005.75	Lease Liabilities	546.06	508.88
			Others	10,120.84	9,042.28
			TOTAL CURRENT	13,432.50	11,680.54
			TOTAL EQUITY AND LIABILITIES	36,504.89	34,005.75

Revenue Break-up

USD MN

Verticals*	Q1FY24	Q4FY23	Q1FY23	Q-o-Q	Y-o-Y
Passenger Cars	100.53	92.14	66.95	9.1%	50.2%
Commercial Vehicles	28.78	30.75	22.38	(6.4)%	28.6%

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

Business Units#	Q1FY24	Q4FY23	Q1FY23	Q-o-Q	Y-o-Y
Feature Development & Integration	82.14	76.21	61.64	7.8%	33.3%
Architecture & Middleware Consulting	28.03	23.83	12.83	17.6%	118.5%
Cloud Based Connected Services	23.77	23.75	15.41	0.1%	54.2%

#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	Q1FY24	Q4FY23	Q1FY23	Q-o-Q	Y-o-Y
US	44.91	44.66	34.95	0.5%	28.5%
Europe	68.08	61.40	35.89	10.9%	89.7%
Asia	20.96	17.74	19.04	18.1%	10.1%

P&L Metrics

	Q1FY24	Q4FY23	Q1FY23	Q-o-Q	Y-o-Y
Revenue by Contract Type					
Time & Material Basis	55.0%	54.6%	51.0%	8.9%	60.6%
Fixed Price Basis	45.0%	45.4%	49.0%	7.4%	37.0%
Clients					
Strategic Client Revenue	82.6%	79.5%	84.9%	12.4%	45.0%
Active Clients (Period End)	60	60	60		
Revenue per Devp. Employee USD	49,439	48,092	41,951		
R&D Expenditure (USD MN)	3.01	2.74	2.13		
EBITDA Margin	20.0%	19.1%	19.4%		
EBIT Margin	15.9%	14.9%	14.9%		
PAT Margin	12.2%	11.0%	12.5%		
Effective Tax Rate	23.9%	18.1%	21.8%		
EPS (Basic)	4.95	4.13	3.16		
EPS (Diluted)	4.91	4.09	3.13		

Currency wise revenues, Hedging Details

Currency wise revenue	Q1FY24	Q4FY23	Q1FY23
USD	34.0%	36.3%	42.7%
EUR	44.5%	42.8%	33.5%
GBP	6.0%	6.3%	6.3%
JPY	10.5%	8.8%	8.7%
INR	3.5%	4.1%	5.8%
Others	1.5%	1.8%	2.9%

O/s Hedge Details	Q1FY24
Hedge Rates	
USD/INR	83.13
EUR/INR	90.43
GBP/INR	103.08
JPY/INR	0.64
Hedge Amounts(Mn)	
USD/INR	44.98
EUR/INR	25.35
GBP/INR	6.80
JPY/INR	1,955.0

Headcount Data

Period End Headcount	Q1FY24	Q4FY23	Q1FY23	Q-o-Q	Y-o-Y
Development	10,837	10,297	8,570	-	-
Enabling & Sales	734	716	613	-	-
Total	11,571	11,013	9,183	-	-

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Contact Us

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Conference Call Details

Conference name : KPIT Technologies Q1 FY2024 Post Earnings Conference Call

Date : Wednesday July 26, 2023

Time : 1600 Hrs.

Participants : Mr. Kishor Patil, Co-founder, CEO & MD
Mr. Sachin Tikekar, President, Joint MD
Mrs. Priya Hardikar, CFO
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. ²⁵

Contact

For Investor Queries



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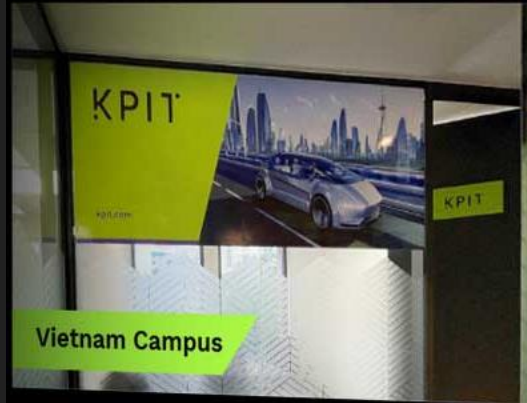


Website
www.kpit.com



Sunil B R

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Vietnam Campus



Shanghai Campus



Bangkok Campus



Munich Campus



Pune Campus

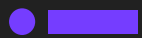


Novi Campus



Bengaluru Campus

THANK YOU !!



KPIT Technologies Ltd.

