

October 30, 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

Sub: Investor Update – Q2 FY 2024.

Dear Sir / Madam,

Please find enclosed the Investor Update – Q2 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

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

Q2FY24

Reimagining Mobility *with YOU*

Performance Overview

- Q2FY24 CC Revenue grows 51.7% Y-o-Y
- FY24 CC Growth outlook increased to 37%+ from 27% - 30% earlier, EBITDA Outlook increased to 20%+ from 19%-20% earlier

Revenue

- Reported \$ Revenue growth of 54.2% Y-o-Y
- 9.0% CC growth, 8.4% Reported \$ growth, Q-o-Q

EBITDA

- Q2FY24 EBITDA at 20% post wage hikes
- Y-o-Y EBITDA growth of 73.7%, Q-o-Q 9.1%

PROFIT

- Q2FY24 Net Profit at ₹ 1,409 M
- Y-o-Y PAT growth of 68.7%, Q-o-Q 5.1%*

Wins and Pipeline

- \$ 156M worth engagements closed in the quarter
- Healthy Pipeline across practices

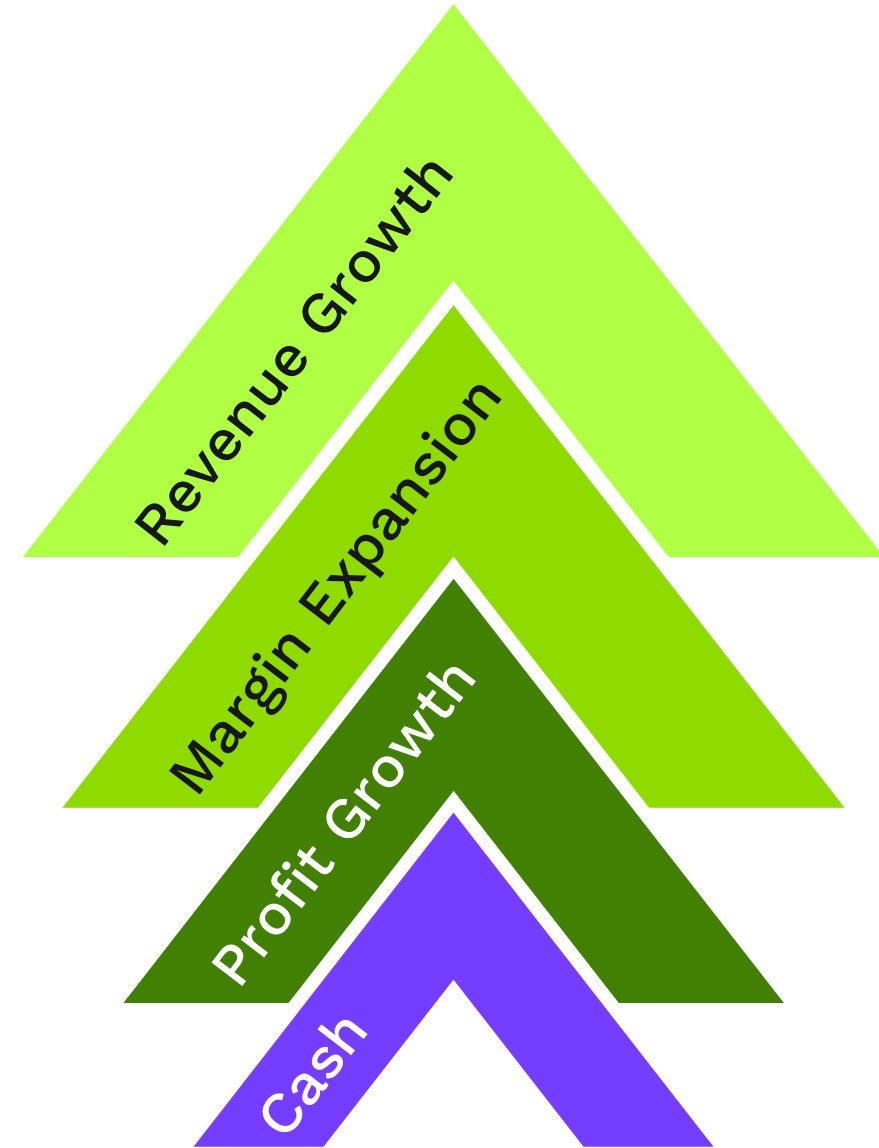
Performance Highlights

01 Broad based growth across practices and verticals. Growth led by Strategic Accounts, Passenger Car vertical, Electric Powertrain, Autonomous Driving and Digital Connected Solutions practices.

02 EBITDA margin maintained at 20% post full quarter impact of wage hikes during the quarter. Gross Impact of wage hikes was 250 bps which was offset by revenue growth and net realization improvement.

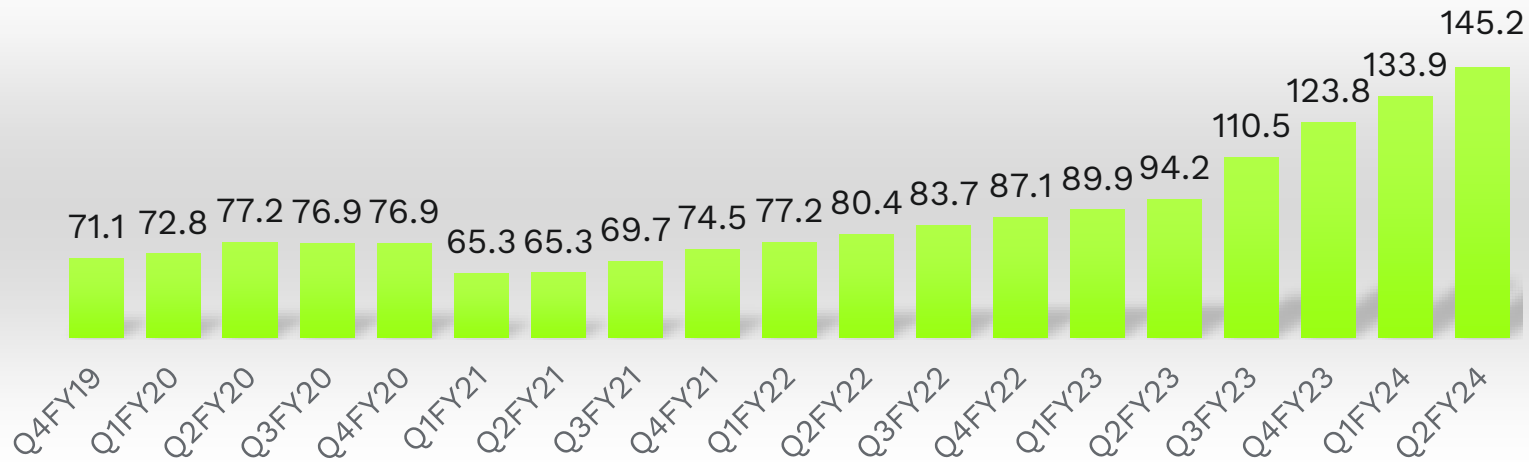
03 Q2FY24 other income was slightly higher as compared to last quarter due to lower loss on realization and gains on hedging contracts. ETR was slightly higher as compared to last quarter, in-line with our annual outlook on ETR. There was a one-time gain of ₹ 134 million last quarter. Excluding this, the Net Profit growth for the quarter was 16.8%

04 Net Cash at quarter end stood at ₹ 5.12 billion post Acquisition payouts of ₹ 987 million (Technica and FMS) and dividend payout of ₹ 718 million. DSO stood at 47 days.



Additional facts - timeseries

Revenue \$ M

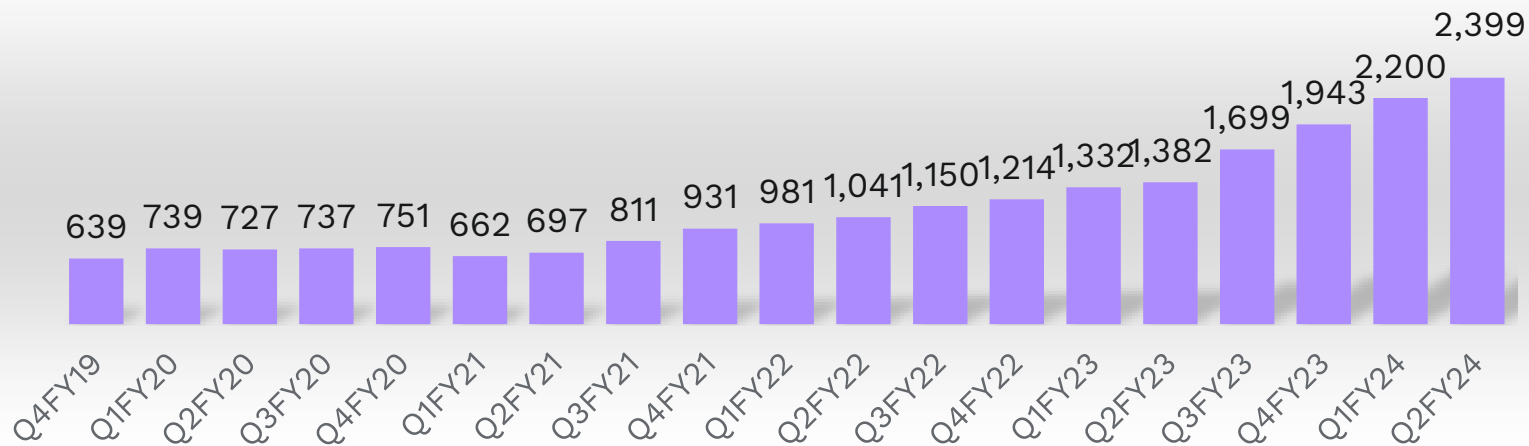


Consistent Performance



13 Consecutive Quarters
of Steady Revenue Growth

EBITDA ₹ M



13 Consecutive Quarters
of Steady EBITDA Growth

Management Quotes

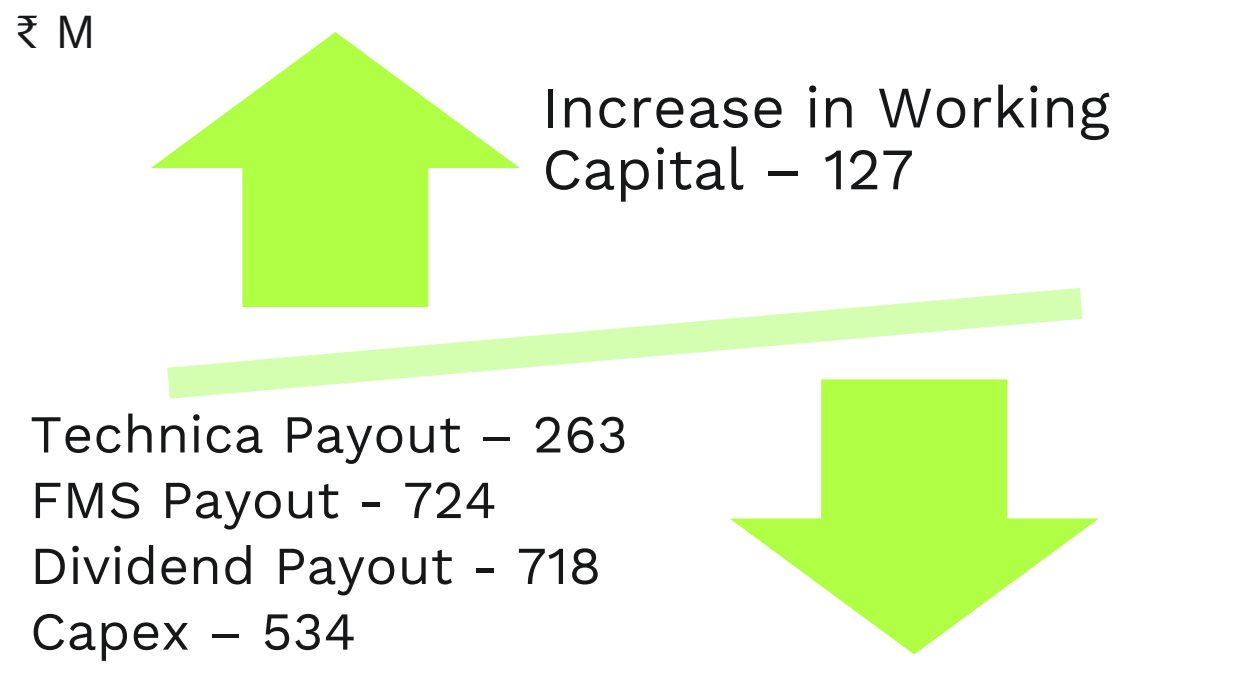


Kishor Patil, Co-founder, CEO and MD, KPIT said,” We are delighted to deliver another quarter, consistent with our robust performance over the last 3 years. Our medium-term business fundamentals and growth drivers remain unchanged. While the geopolitical situation and economic uncertainty across geographies is leading to a softer macro environment, we keep a watchful eye on the impact on our clients and their business priorities. Our clients remain committed to making investments in newer, relevant technologies. Basis our performance so far and near-term visibility, we raise our CC revenue growth outlook for FY24 to 37%+ growth and increase EBITDA margin outlook to 20%+”.



Sachin Tikekar, Co-founder and Joint MD, KPIT said,” Our relationships with our Strategic Clients continue to get deeper and wider, leading to increased strategic engagements. We will sharpen our focus further on commercial vehicles in the near term. Attrition continues to move in the right direction. As we focus on effective delivery of complex large engagements, we continue to lay emphasis on zero-defect delivery. We are progressing well on co-creation of the sustainability roadmap with our employees. We are happy on integration of the acquired entities and are on track for achieving stated medium-term strategic objectives”.

Cash Flow – Major Movement



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	911
In Investment Accounts (outside India)	889
In Operating Accounts	4,475
TOTAL	6,275

NET CASH (₹ M)	Q2FY24	Q1FY24
Gross Cash	6,275	5,727
Long Term Debt	NIL	NIL
Short Term Debt	1,151	465
NET CASH	5,124	5,262



DSO Q2FY24 end : 47 Days

New Engagements

TCV of new engagements won during the Quarter : \$ 156 million



Strategic multi year engagement in the autonomous driving domain 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 electric powertrain, autonomous driving and connected domains for a leading European Car Manufacturer

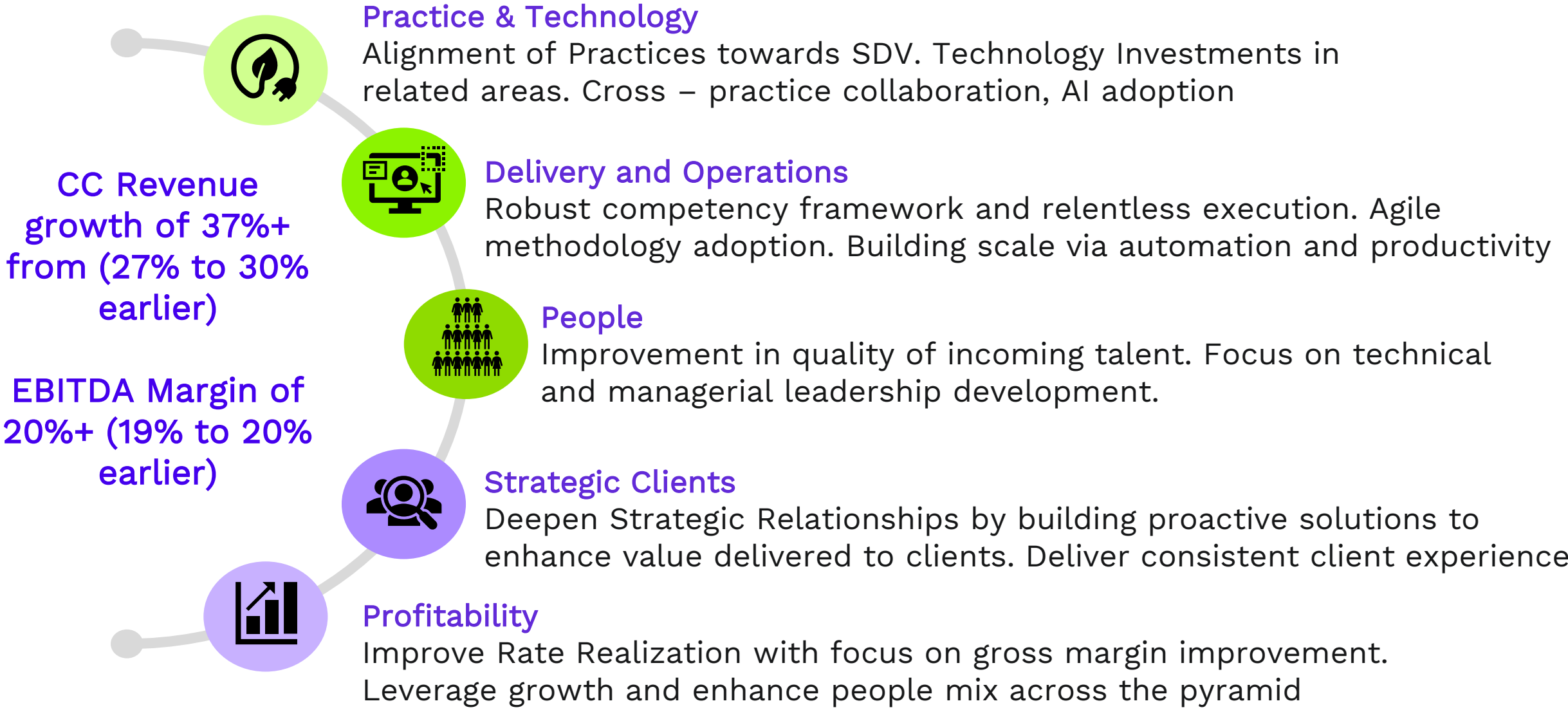


A strategic program in the powertrain domain for a leading American Car Manufacturer



Various strategic engagements in the connected and vehicle engineering domains for a leading Asian OEM

FY24 Outlook – Upgraded !!



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Other Updates

Q2FY24

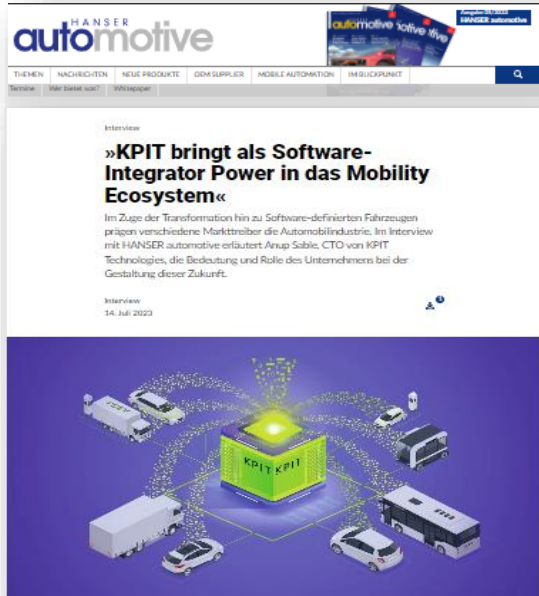
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KPIT won the Product Innovation Award by NASSCOM

KPIT won the Product Innovation Award in the Ideation to Engineering Leadership category by NASSCOM for Hydrogen Fuel Cell Electric Vehicle in the Ideation to Engineering Leadership category.



KPIT leaders featured on popular media outlets



KPIT Chief Technology Officer and Board Member, **Mr. Anup Sable's** interview was featured on HANSER automotive where he shares how KPIT brings the Power of Software Integration to the Mobility Ecosystem.



KPIT Co-founder and Chairman, **Mr. Ravi Pandit** and KPIT Co-founder, Managing Director, and CEO, **Mr. Kishor Patil** spoke to BQ Prime about KPIT's journey of continuous growth over the years and how the organization has become an independent software integration partner to global automotive leaders.

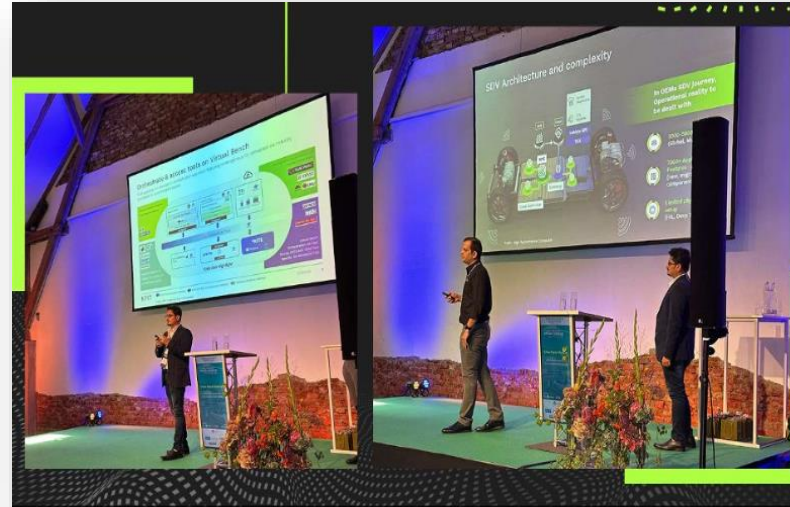


Mr. Omkar Panse, Vice President - Head of Software-Defined Vehicle Middleware Solutions, spoke to TechGig, to talk about the opportunities in automotive software for techies.

KPIT at industry events and forums



KPIT's Associate Vice President, **Mr. Tejas Kshatriya**, participated as a panelist in NASSCOM ER&D's immersive series. He shared his insights on emerging innovations in the ER&D landscape and provide a deeper understanding of challenges and solutions related to innovation.



KPIT experts, took the stage at **Virtual Vehicle Symposium 2023** in Graz, Austria, to present on "An Approach to Accelerate Software-Defined Vehicle Development, Verification, and Validation through Virtual Engineering."



Technica Engineering, member of KPIT family was at the ADAS and AV Technology Expo 2023 in California.

KPIT won the Mahatma Award for CSR Excellence 2023

KPIT won the Mahatma Award for CSR Excellence 2023.

KPIT Co-founder and Chairman, Mr. Ravi Pandit received the prestigious Mahatma Award 2023 for Lifetime Achievement.



Activities from #LifeAtKPIT



More than **700+** KPITians around the world showcased how they are **Reimagining Mobility** through self-captured photographs on **World Photography Day**.

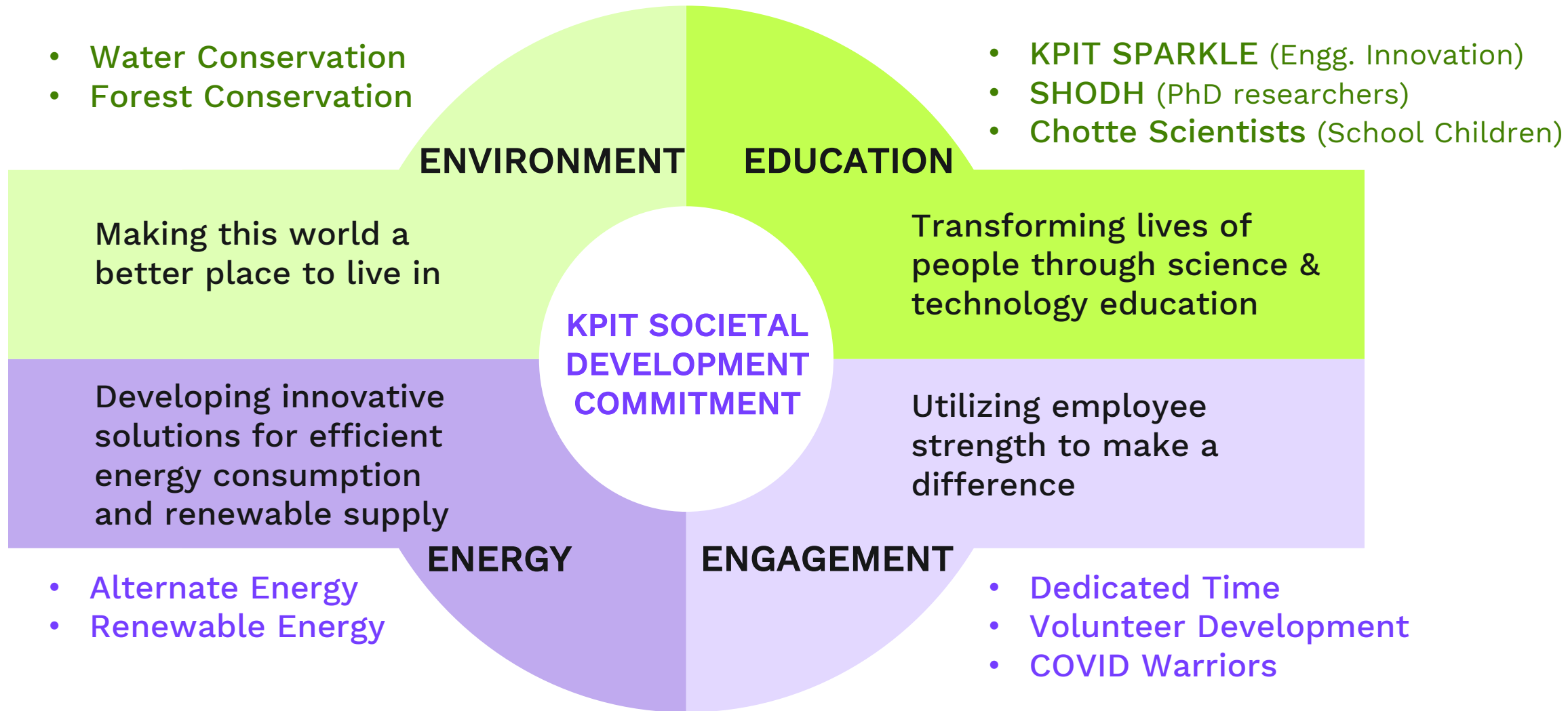


On the occasion of **World EV Day**, KPITians featured on an exclusive video sharing experiences of how **they have made the green switch by using EVs** and why more people must do so.



KPITians participated in the **Mill Race**, a charity marathon in **Columbus, USA**. Our volunteers, alongside our incredible runners, ensured the marathon ran smoothly. Additionally, this year, we added to the fun with a Kids Fun Run and a tattoo stall, bringing joy and energy to young participants.

KPIT – Societal Development Commitment



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

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Financial & Operational Data

Snapshot

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Profit & Loss Account Snapshot

INR MN

DETAILS	Q2FY24	Q1FY24	Q2FY23
Revenue from Operations	11,991.57	10,976.22	7,448.32
Other Income	85.94	78.16	94.90
Gains on Account of Business Combinations	-	134.13	-
Total Income	12,077.51	11,188.51	7,543.22
Operating Expenses	9,592.23	8,837.42	6,066.69
EBITDA	2,399.34	2,200.12	1,381.63
Depreciation	480.93	450.44	327.41
EBIT	1,918.41	1,749.68	1,054.22
Finance Costs	135.70	137.10	70.31
Change in FMV of Investments	8.72	2.79	(1.92)
Profit Before Exceptional Items	1,877.37	1,766.34	1,076.89
Exceptional items	-	-	-
Profit/(loss) from equity accounted investee	-	-	14.36
PBT	1,877.37	1,766.34	1,091.25
Tax	463.36	421.95	255.60
PAT	1,414.01	1,344.39	835.65
Profit Attributable to owners of Company	1,408.54	1,339.98	834.80
Profit Attributable to non-controlling interest	5.47	4.41	0.85

Balance Sheet Snapshot

INR MN

ASSETS	Q2FY24	Q1FY24	EQUITY & LIABILITIES	Q2FY24	Q1FY24
<u>NON-CURRENT ASSETS</u>			Equity Share Capital	2,710.13	2,706.02
Property, Plant & Equipment	2,174.94	2,141.45	Other Equity	15,862.06	15,333.75
Right-of-use Assets	2,818.33	2,849.68	Equity attributable to owners	18,572.19	18,039.77
Other Tangible Assets	42.18	83.16	Non-controlling interests	131.20	123.19
Goodwill & Other Intangibles	14,211.21	14,293.06	TOTAL EQUITY	18,703.39	18,162.96
Other Non-Current Assets	1,287.73	1,308.65	<u>NON-CURRENT LIABILITIES</u>		
TOTAL NON-CURRENT	20,534.39	20,676.0	Borrowings	NIL	NIL
<u>CURRENT ASSETS</u>			Lease Liabilities	2,054.93	2,090.72
Inventories	890.50	863.85	Other Non-Current Liabilities	2,827.00	2,818.71
Cash and Cash Equivalents	6,275.16	5,726.93	TOTAL NON-CURRENT	4,881.93	4,909.43
Trade Receivables	6,926.29	6,026.95	<u>CURRENT LIABILITIES</u>		
Other Current Assets	2,819.66	3,211.16	Borrowings	1,151.21	465.27
TOTAL CURRENT	16,911.61	15,828.89	Trade Payables	2,491.95	2,300.33
TOTAL ASSETS	37,446.00	36,504.89	Lease Liabilities	549.90	546.06
			Others	9,667.62	10,120.84
			TOTAL CURRENT	13,860.68	13,432.50
			TOTAL EQUITY AND LIABILITIES	37,446.00	36,504.89

Revenue Break-up

USD MN

Verticals*	Q2FY24	Q1FY24	Q2FY23	Q-o-Q	Y-o-Y
Passenger Cars	110.07	100.53	69.30	9.5%	58.8%
Commercial Vehicles	29.06	28.78	23.75	1.0%	22.4%

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

Business Units#	Q2FY24	Q1FY24	Q2FY23	Q-o-Q	Y-o-Y
Feature Development & Integration	89.72	82.14	64.86	9.2%	38.3%
Architecture & Middleware Consulting	29.40	28.03	12.04	4.9%	144.2%
Cloud Based Connected Services	26.08	23.77	17.26	9.7%	51.1%

#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	Q2FY24	Q1FY24	Q2FY23	Q-o-Q	Y-o-Y
US	44.15	44.91	34.81	(1.7)%	26.8%
Europe	76.37	68.08	41.11	12.2%	85.8%
Asia	24.69	20.96	18.24	17.8%	35.4%

P&L Metrics

	Q2FY24	Q1FY24	Q2FY23	Q-o-Q	Y-o-Y
Revenue by Contract Type					
Time & Material Basis	48.6%	55.0%	53.5%	(4.2)%	40.1%
Fixed Price Basis	51.4%	45.0%	46.5%	23.8%	70.5%
Clients					
Strategic Client Revenue	84.0%	82.6%	85.4%	10.3%	51.7%
Active Clients (Period End)	60	60	60		
Revenue per Devp. Employee USD	51,773	49,439	40,569		
R&D Expenditure (USD MN)	3.31	3.01	2.23		
EBITDA Margin	20.0%	20.0%	18.5%		
EBIT Margin	16.0%	15.9%	14.2%		
PAT Margin	11.7%	12.2%	11.2%		
Effective Tax Rate	24.7%	23.9%	23.4%		
EPS (Basic)	5.20	4.95	3.09		
EPS (Diluted)	5.16	4.91	3.06		

Currency wise revenues, Hedging Details

Currency wise revenue	Q2FY24	Q1FY24	Q2FY23
USD	31.1%	34.0%	41.1%
EUR	44.8%	44.5%	35.4%
GBP	7.1%	6.0%	8.1%
JPY	11.4%	10.5%	6.9%
INR	3.8%	3.5%	5.9%
Others	1.9%	1.5%	2.6%

O/s Hedge Details	Q2FY24
Hedge Rates	
USD/INR	83.42
EUR/INR	92.00
GBP/INR	105.24
JPY/INR	0.63
Hedge Amounts(Mn)	
USD/INR	51.65
EUR/INR	25.85
GBP/INR	6.66
JPY/INR	1,415.00

Headcount Data

Period End Headcount	Q2FY24	Q1FY24	Q2FY23	Q-o-Q	Y-o-Y
Development	11,219	10,837	9,284	-	-
Enabling & Sales	752	734	632	-	-
Total	11,971	11,571	9,916	-	-

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Contact Us

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Conference Call Details

Conference name : KPIT Technologies Q2 FY2024 Post Earnings Conference Call

Date : Tuesday October 31, 2023

Time : 1600 Hrs.

Participants : Mr. Kishor Patil, Co-founder, CEO & MD

Mr. Sachin Tikekar, President, Joint MD

Mr. Anup Sable, Whole-time Director & CTO

Mr. Chinmay Pandit, Whole-time Director & Head Americas

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

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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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THANK YOU !!



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