

April 27, 2022

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

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

Scrip ID: KPITTECH
Scrip Code: 542651

Symbol: KPITTECH
Series: EQ

Kind Attn: The Manager,
Department of Corporate Services

Kind Attn: The Manager,
Listing Department

Subject: - Investor Update - Q4 FY 2022.

Dear Sir / Madam,

Please find enclosed the investor Update - Q4 FY 2022.

Kindly take the same on your records.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**



Nida Deshpande
Company Secretary & Compliance Officer

Encl.: - As mentioned above.

KPIT

Reimagining Mobility *with YOU*

April 27, 2022

Investor Update Q4FY2022 and FY2022

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

KPI1

Performance Overview

Q4FY22 | FY22

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Performance Overview



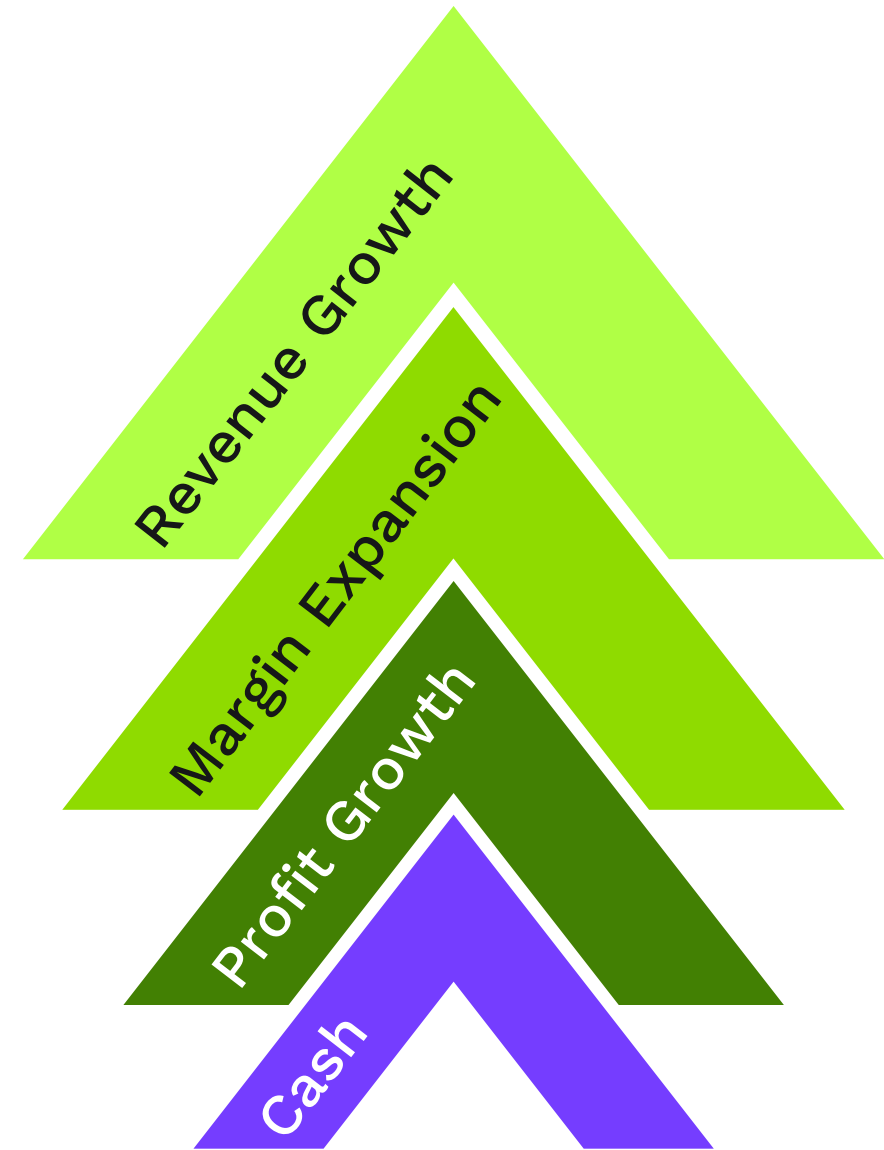
Performance Highlights

01 Sequential CC growth of 5.2% led by Autonomous and Connected domains. Broad based growth across commercial vehicles and passenger car verticals. Q4 was another good quarter in terms of deal closures.

02 EBITDA expansion of 10 bps despite supply side constraints and fresher additions. Offshore has consistently increased in FY22; ~ 10% over FY21, resulting in higher volume growth and improved margins

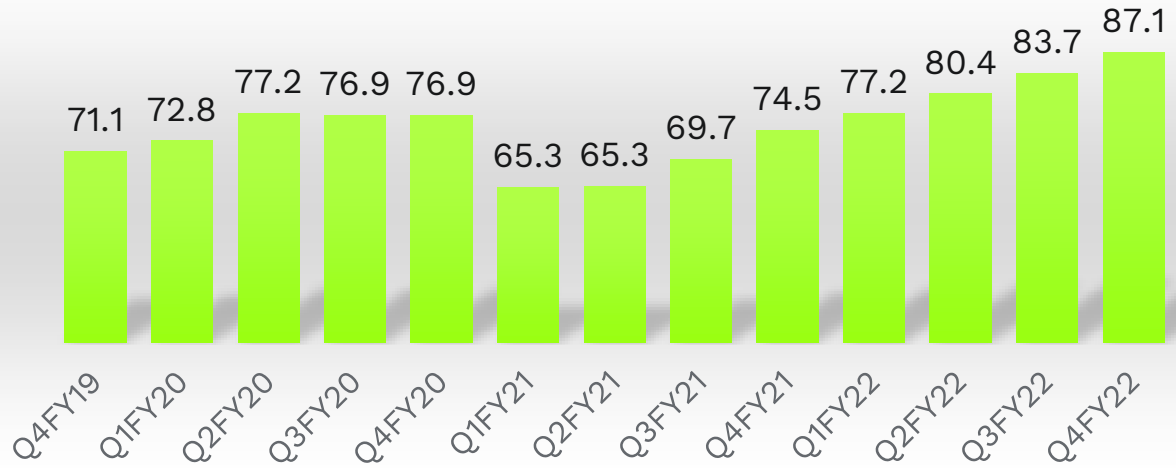
03 Sequential double digit net profit growth aided by improvement in operating margins and higher other income. ETR for the quarter lower as a one-time impact. FY22 EPS at 10.05.

04 High cash conversion continued post dividend payout, with DSO at 53 days. Net Cash at quarter end ₹ 10.3 billion. 13th consecutive quarter of increase in net cash. Final Dividend of ₹ 1.85/share. Total FY22 Dividend ₹ 3.10/share

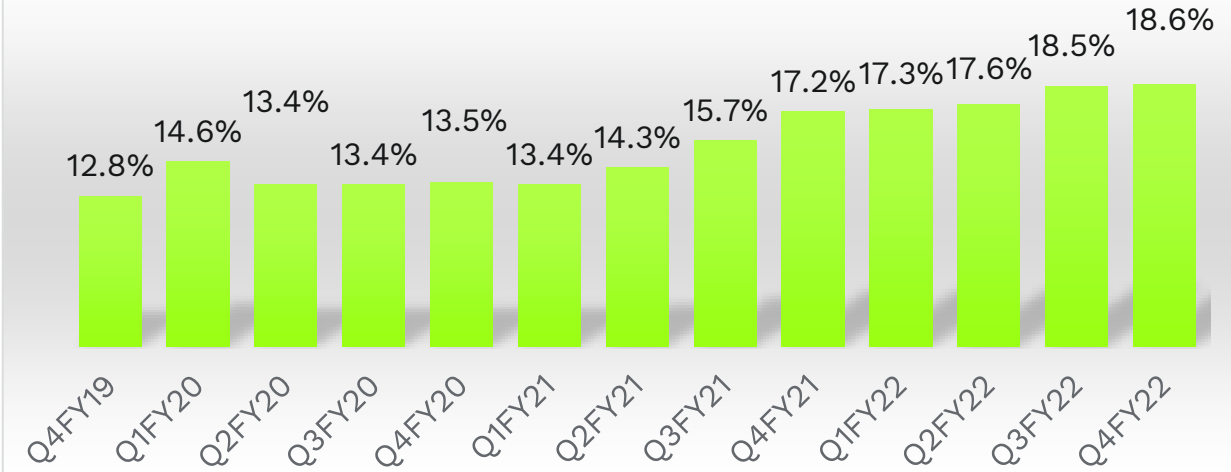


Additional facts - timeseries

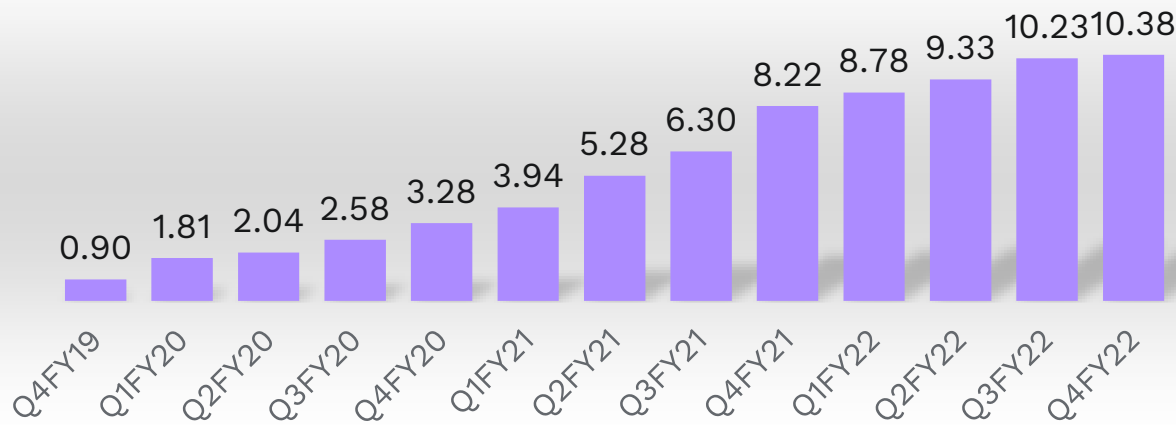
Revenue \$ M



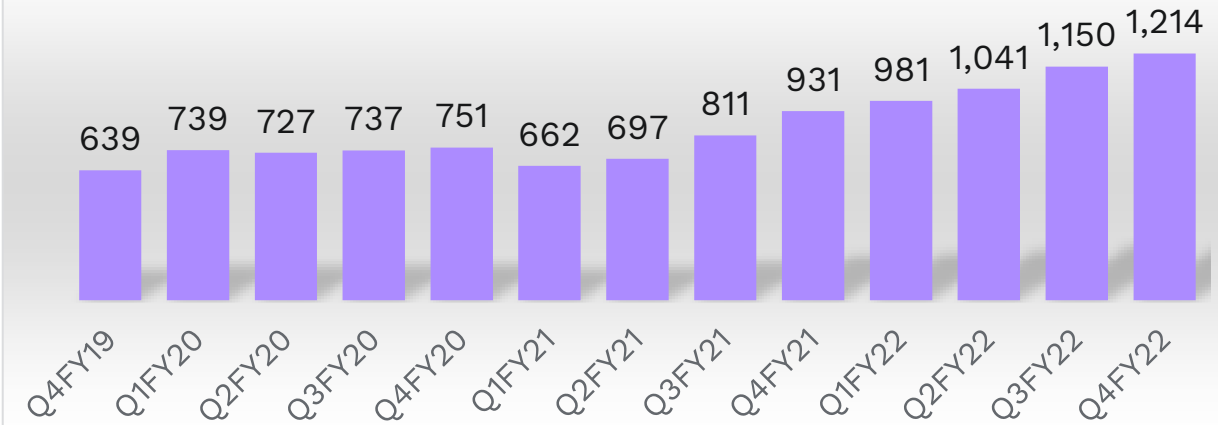
EBITDA %



Qtr. End Net Cash ₹ B



EBITDA ₹ M



Management Quotes



Commenting on the performance of FY22, Ravi Pandit, Co-founder and Chairman, KPIT said,” FY22 was a year of resurgence in many ways, and I am happy with the way we have emerged stronger. The transformation in the Mobility Industry is pointing towards Software Defined Vehicles, aiming for a larger goal of sustainability for all. We have been working in these areas for over 2 decades and will be a major contributor towards this transformation with our expertise and dependability. We are committed towards achieving our Vision of creating a Cleaner, Safer and Smarter World”.



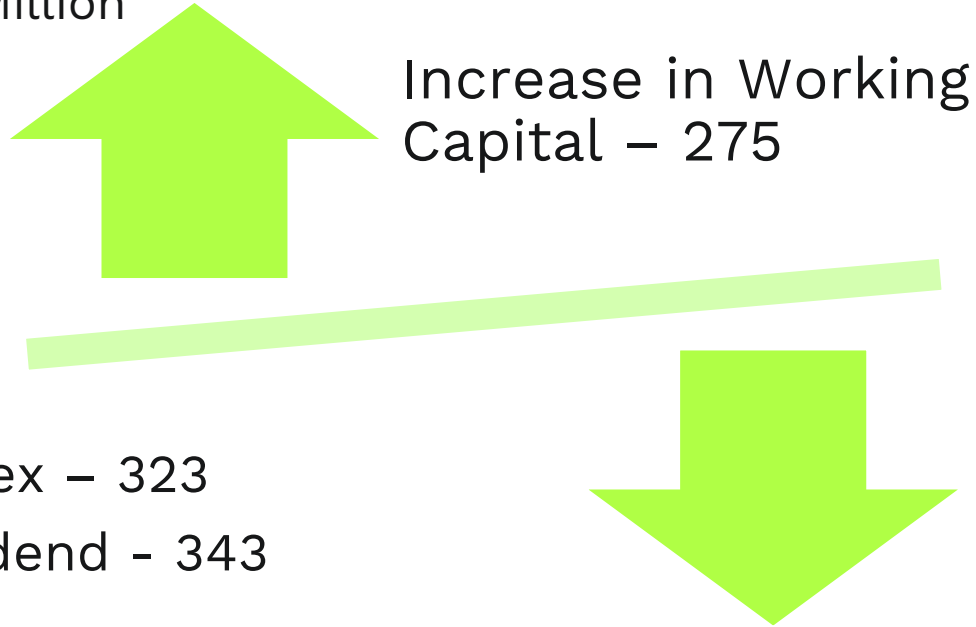
Kishor Patil, Co-founder, CEO and MD, KPIT said,” We have delivered seven sequential quarters of healthy growth and steady margin expansion. The Mobility Industry is investing heavily in CASE and architectural changes to make Software Defined Vehicle a reality. We are witnessing elevated interests from clients to engage in these areas. This gives us great visibility of robust demand for the next 4-5 years. On the back of this, we expect to deliver CC growth of 18%-21% in FY23 with EBITDA margins between 18%-19%. FY23 Volume growth is expected to be ~25%”.



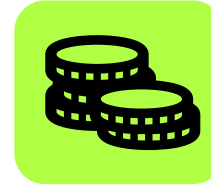
Sachin Tikekar, Co-founder and Joint MD, KPIT said,” The Mobility Industry transformation is seen in both passenger car and commercial vehicle verticals. This is creating demand much higher than supply. We thus, will have a sharper focus on talent attraction, development and retention. We will continue to invest in the right technologies and partnerships to help us deliver value to our clients, making them successful in their transformation. We start FY23 on the back of closure of key strategic, long-term engagements with our T25 clients, giving us clear visibility for another year of profitable growth”.

Cash Flow – Major Movement

INR Million



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	5,580
In Investment Accounts (outside India)	1,841
In Operating Accounts	2,959
TOTAL	10,380



Q-o-Q Increase in Net Cash : INR 154 Million

NET CASH (INR Mln)	Q4FY22	Q3FY22
Gross Cash	10,380	10,226
Long Term Debt	NIL	NIL
Short Term Debt	NIL	NIL
NET CASH	10,380	10,226



DSO Q4FY22 end : 53 Days

Strategic Large Engagement



A leading European OEM selects KPIT as its key partner for next generation ECU Platforms' Software

TCV of Euro 70+ million. 80%+ of revenue expected to be delivered over next 5 years

Software Architecture, Software Development, Configuration and Integration, Validation

New Engagements

TCV of Total Deals won during the Quarter : \$ 125* million



A leading American car manufacturer selected KPIT for an engagement in the powertrain virtualization domain



A leading European car manufacturer selected KPIT for multiple engagements in the AUTOSAR and vehicle diagnostics domains.



A leading American commercial vehicles manufacturer selected KPIT for a program in the vehicle engineering domain



A leading Asian car manufacturer selected KPIT for multiple programs in the connected vehicles and autonomous driving domains



A leading American Tier I selected KPIT for multiple engagements in the autonomous driving domain

FY23 – Outlook



CC Revenue Growth : 18% to 21%

Broad based growth across practices, led by Strategic Clients and Strategic Engagements. Volume Growth to be in the range of 25%, driven by increased offshore

EBITDA Margin : 18% to 19%

Improvement in Revenue mix towards offshore and fixed price. Growth Leverage. Focus on productivity improvement

People

Supply side pressures to continue in FY23. Focus on Talent development and retention. Increments, promotions similar to last year.

Investments

Technology led R&D Investments, Market facing investments, total 3+% of revenue

KPI1

Other Updates

Q4FY22

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Recognition

Frost & Sullivan, has recognized KPIT Technologies for Frost & Sullivan 2021 Global OTA and Cloud Platform Technology Innovation Leadership Award.



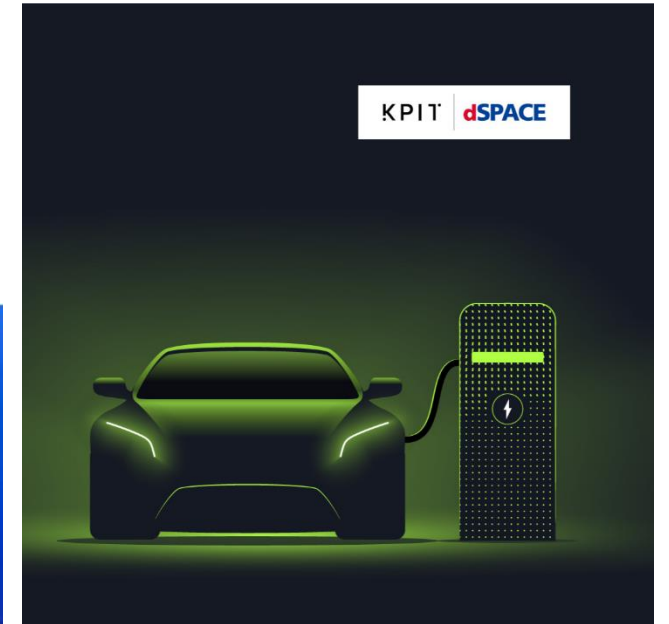
Under the Best Practices Awards, Frost & Sullivan has recognized KPIT Technologies for its commitment to innovation, creativity, commercialization success, client acquisition, growth potential, and human capital.

KPIT and dSPACE team up for smart charging solutions for electric vehicles

KPIT and dSPACE have teamed up to offer a comprehensive solutions test suite for smart charging. Comprehensive solutions suite enables the development of next-generation onboard vehicle chargers that complies with international standards to perform conformance testing.



KPIT-dSPACE Smart Charging Solutions at CES 2022, Las Vegas, USA



KPIT Sparkle 2022: Completed the 8th edition of the flagship event to engaging the best talent across India

- KPIT Sparkle is one of India's biggest innovation platforms for Engineering, Science and Design students
- Platform's multidisciplinary outlook empowers tech enthusiasts to solve society's biggest challenges through path-breaking innovations creatively
- Nurtures and recognizes the country's young innovators towards building a better and cleaner tomorrow
- Sparkle received more than 1,300 ideas from 15,000+ students across 800+ colleges in India



KPIT – being the Best Place to Grow !!



Unveiling brand new office in US!
Novi, Michigan

A bigger, better located, futuristic premise aligned with our goal of being the best place to grow for KPITians in USA!

Expansion of local tech center in China

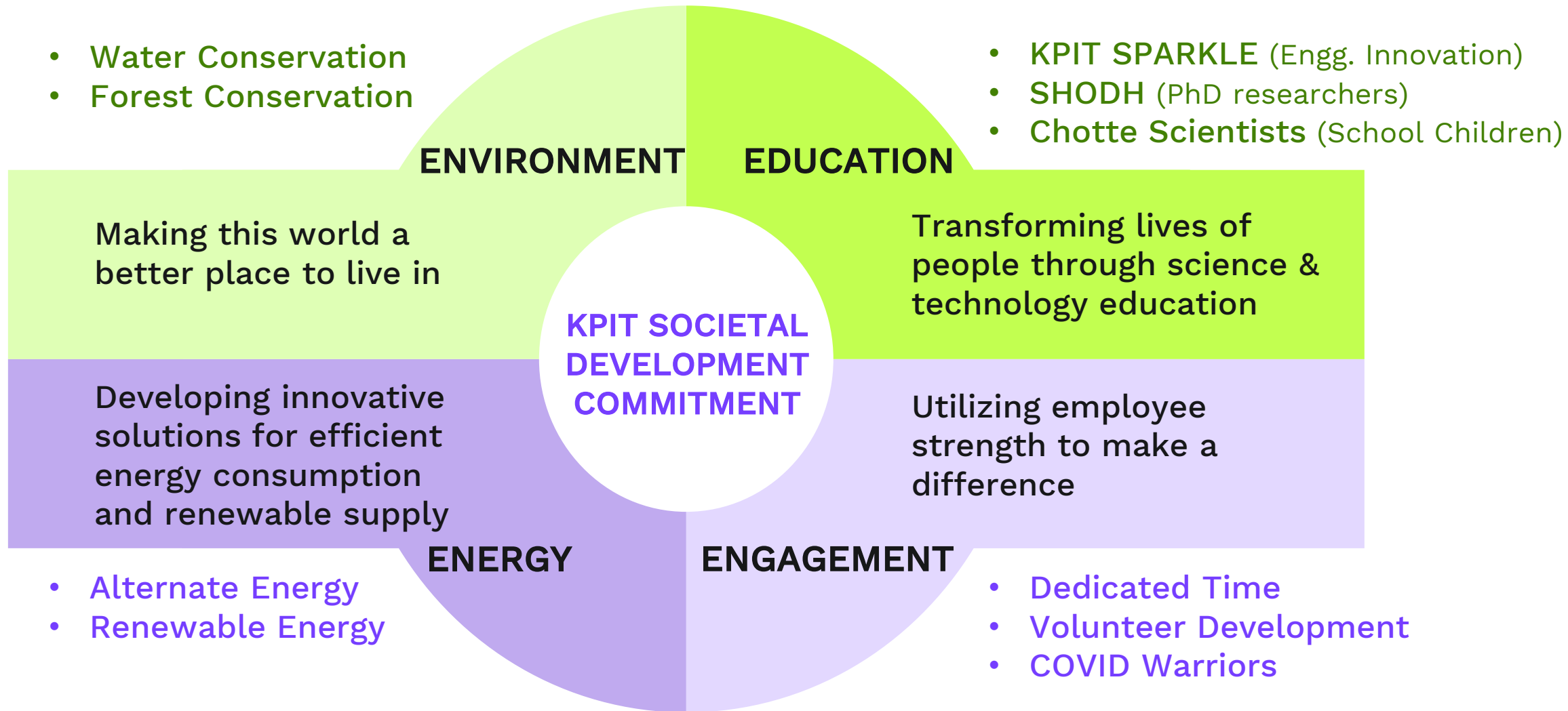


KPIT Technologies and Coventry University launch a workplace Master of Technology in automotive software engineering course



KPIT and Coventry University have worked together since 2016 delivering postgraduate courses for the global software company in the field of Strategic Engineering Management and Automotive Engineering. KPIT employees will undertake extensive coursework and training sessions from Coventry University's experts.

KPIT – Societal Development Commitment



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

KPIT

Financial & Operational Data

Snapshot

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Profit & Loss Account Snapshot

INR MN

DETAILS	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
Revenue from Operations	6,517.65	6,223.67	5,403.27	24,323.86	20,357.41
Other Income	127.54	80.75	51.53	397.42	139.29
Total Income	6,645.19	6,304.42	5,454.80	24,721.28	20,496.70
Operating Expenses	5,303.69	5,073.92	4,527.68	19,938.40	17,286.02
EBITDA	1,213.96	1,149.75	930.96	4,385.46	3,100.74
Depreciation	307.18	311.57	309.09	1,196.14	1,331.74
EBIT	906.78	838.18	621.87	3,189.32	1,769.00
Finance Costs	70.46	44.83	39.69	193.95	172.53
Change in FMV of Investments	2.93	4.75	11.56	50.67	18.33
Profit Before Exceptional Items	966.79	878.85	589.90	3,443.46	1,724.74
Exceptional items	-	-	-	-	51.49
profit/(loss) from equity accounted investee	5.37	(3.39)	-	1.98	
PBT	972.16	875.46	589.90	3,445.44	1,776.23
Tax	166.28	172.37	62.39	683.01	305.20
PAT	805.88	703.09	527.51	2,762.43	1,471.03
Profit Attributable to owners of Company	788.77	700.10	524.59	2,742.33	1,461.37
Profit Attributable to non-controlling interest	17.11	2.99	2.92	20.10	9.66

Balance Sheet Snapshot

INR MN

ASSETS	Q4FY22	Q3FY22
<u>NON-CURRENT ASSETS</u>		
Property, Plant & Equipment	1,936.72	1,967.75
Right-of-use Assets	2,503.32	2,397.34
Other Tangible Assets	4.09	8.92
Goodwill & Other Intangibles	1,968.43	2,016.46
Other Non-Current Assets	1,400.51	1,243.00
TOTAL NON-CURRENT	7,813.07	7,633.47
<u>CURRENT ASSETS</u>		
Inventories	NIL	NIL
Cash and Cash Equivalents	10,380.32	10,226.30
Trade Receivables	3,714.47	3,784.51
Other Current Assets	1,453.61	1,180.20
TOTAL CURRENT	15,548.40	15,191.01
TOTAL ASSETS	23,361.47	22,824.48

EQUITY & LIABILITIES	Q4FY22	Q3FY22
Equity Share Capital	2,700.17	2,698.64
Other Equity	10,395.50	10,768.99
Equity attributable to owners	13,095.67	13,467.63
Non-controlling interests	155.47	134.83
TOTAL EQUITY	13,251.14	13,602.46
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Lease Liabilities	1,833.95	1,773.67
Other Non-Current Liabilities	1,199.78	810.19
TOTAL NON-CURRENT	3,033.73	2,583.86
<u>CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Trade Payables	1,372.30	1,545.19
Lease Liabilities	412.51	376.99
Others	5,291.79	4,715.98
TOTAL CURRENT	7,076.60	6,638.16
TOTAL EQUITY AND LIABILITIES	23,361.47	22,824.48

Revenue Break-up (Quarterly)

USD MN

Verticals	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
Passenger Cars	62.88	61.42	56.68	2.4%	10.9%
Commercial Vehicles	22.04	20.40	16.65	8.1%	32.4%
Others	2.19	1.87	1.15	17.0%	90.3%
TOTAL	87.11	83.69	74.48	4.1%	17.0%

Practices	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
Powertrain	29.19	33.19	30.12	(12.1)%	(3.1)%
AD-ADAS	18.08	14.47	13.80	24.9%	31.0%
Connected Vehicle	10.38	8.17	7.99	27.1%	30.0%
Others	29.46	27.85	22.58	5.8%	30.5%

Geography	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
US	33.10	30.43	31.34	8.8%	5.6%
Europe	34.27	35.12	29.77	(2.4)%	15.1%
Asia	19.73	18.14	13.38	8.8%	47.5%
TOTAL	87.11	83.69	74.48	4.1%	17.0%

Revenue Break-up (Annual)

USD MN

Verticals	FY22	FY21	Y-o-Y
Passenger Cars	242.40	211.01	14.9%
Commercial Vehicles	80.05	60.06	33.3%
Others	5.90	3.70	59.4%
TOTAL	328.36	274.77	19.5%

Practices	FY22	FY21	Y-o-Y
Powertrain	122.01	108.22	12.8%
AD-ADAS	62.77	57.89	8.4%
Connected Vehicle	36.04	30.31	18.9%
Others	107.55	78.36	37.3%

Geography	FY22	FY21	Y-o-Y
US	127.82	114.66	11.5%
Europe	131.89	112.66	17.1%
Asia	68.63	47.46	44.6%
TOTAL	328.36	274.77	19.5%

P&L Metrics (Quarterly)

	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
Revenue by Contract Type					
Time & Material Basis	48.1%	43.5%	45.4%	15.0%	23.8%
Fixed Price Basis	51.9%	56.5%	54.6%	(4.3)%	11.3%
Clients					
Strategic T21 Client Revenue	83.85%*	82.93%*	85.64%	4.1%	8.8%
Active Clients (Period End)	60	58	55		
Revenue per Devp. Employee USD	45,679	46,365	50,946		
R&D Expenditure (USD MN)	2.09	2.41	-		
EBITDA Margin	18.6%	18.5%	17.2%		
EBIT Margin	13.9%	13.5%	11.5%		
PAT Margin	12.1%	11.2%	9.7%		
Effective Tax Rate	17.1%	19.7%	10.6%		
EPS (Basic)	2.92	2.60	1.95		
EPS (Diluted)	2.89	2.56	1.93		

P&L Metrics (Annual)

	FY22	FY21	Y-o-Y
Revenue by Contract Type			
Time & Material Basis	44.8%	47.9%	11.8%
Fixed Price Basis	55.2%	52.1%	26.6%
Clients			
Strategic T21 Client Revenue	83.80%*	85.69%	14.1%
Active Clients (Period End)	60	55	
Avg Revenue per Devp. Employee USD	48,804.2	46,099.6	
R&D Expenditure (USD MN)	9.0	-	
EBITDA Margin	18.0%	15.2%	
EBIT Margin	13.1%	8.7%	
PAT Margin	11.3%	7.2%	
Effective Tax Rate	19.8%	17.2%	
EPS (Basic)	10.17	5.43	
EPS (Diluted)	10.05	5.40	

Currency wise revenues, Hedging Details

Currency wise revenue	Q4FY22	Q3FY22	Q4FY21	FY22	FY21
USD	40.0%	37.8%	43.5%	40.3%	43.1%
EUR	32.2%	36.4%	33.9%	33.9%	35.5%
GBP	6.6%	5.0%	5.2%	5.7%	4.6%
JPY	12.4%	11.1%	8.9%	11.1%	7.9%
INR	5.9%	4.8%	4.6%	5.0%	5.2%
Others	2.9%	4.8%	3.8%	4.0%	3.7%

Realized Rate	Q4FY22	Q3FY22	Q4FY21
INR/USD	74.82	74.37	72.55

O/s Hedge Details	Q4FY22
Hedge Rates	
USD/INR	77.85
EUR/INR	89.58
GBP/INR	105.37
Hedge Amounts(Mn)	
USD/INR	38.45
EUR/INR	11.82
GBP/INR	4.58

Headcount Data

Period End Headcount	Q4FY22	Q3FY22	Q4FY21	Q-o-Q	Y-o-Y
Development	7,628	7,220	5,848	-	-
Enabling & Sales	617	606	518	-	-
Total	8,245	7,826	6,366	-	-

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Contact Us

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Conference Call Details

Conference name	: KPIT Technologies Q4 FY2022 Post Earnings Conference Call
Date	: Wednesday April 27, 2022
Time	: 1700 Hrs.
Participants	: Mr. S.B. (Ravi) Pandit, Co-founder, Chairman Mr. Kishor Patil, Co-founder, CEO & MD Mr. Sachin Tikekar, Co-founder, Joint MD Mrs. Priya Hardikar, SVP & Head of Finance Mr. Sunil Phansalkar, Head-IR
Dial-in Numbers for all participants	
Click here for your Diamond Pass	
Primary number	: +91 22 6280 1116
Local Access	: +91 22 7115 8017
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 8,000+ 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. 28

For more information, visit <http://www.kpit.com>

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For Investor Queries



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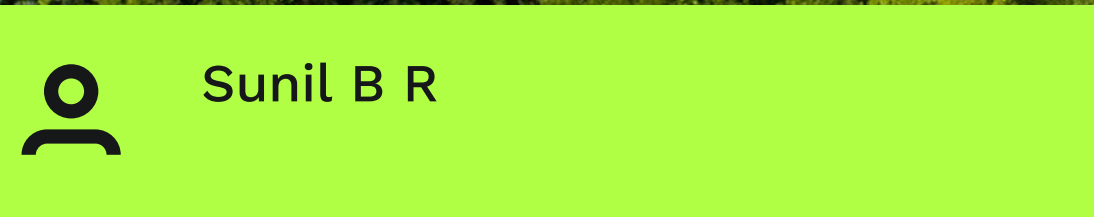
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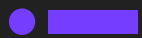


Website
www.kpit.com



KPIT

THANK YOU !!



KPIT Technologies Ltd.

