

November 1, 2021

**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 - Q2 FY 2022.

Dear Sir / Madam,

Please find enclosed the investor Update - Q2 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.

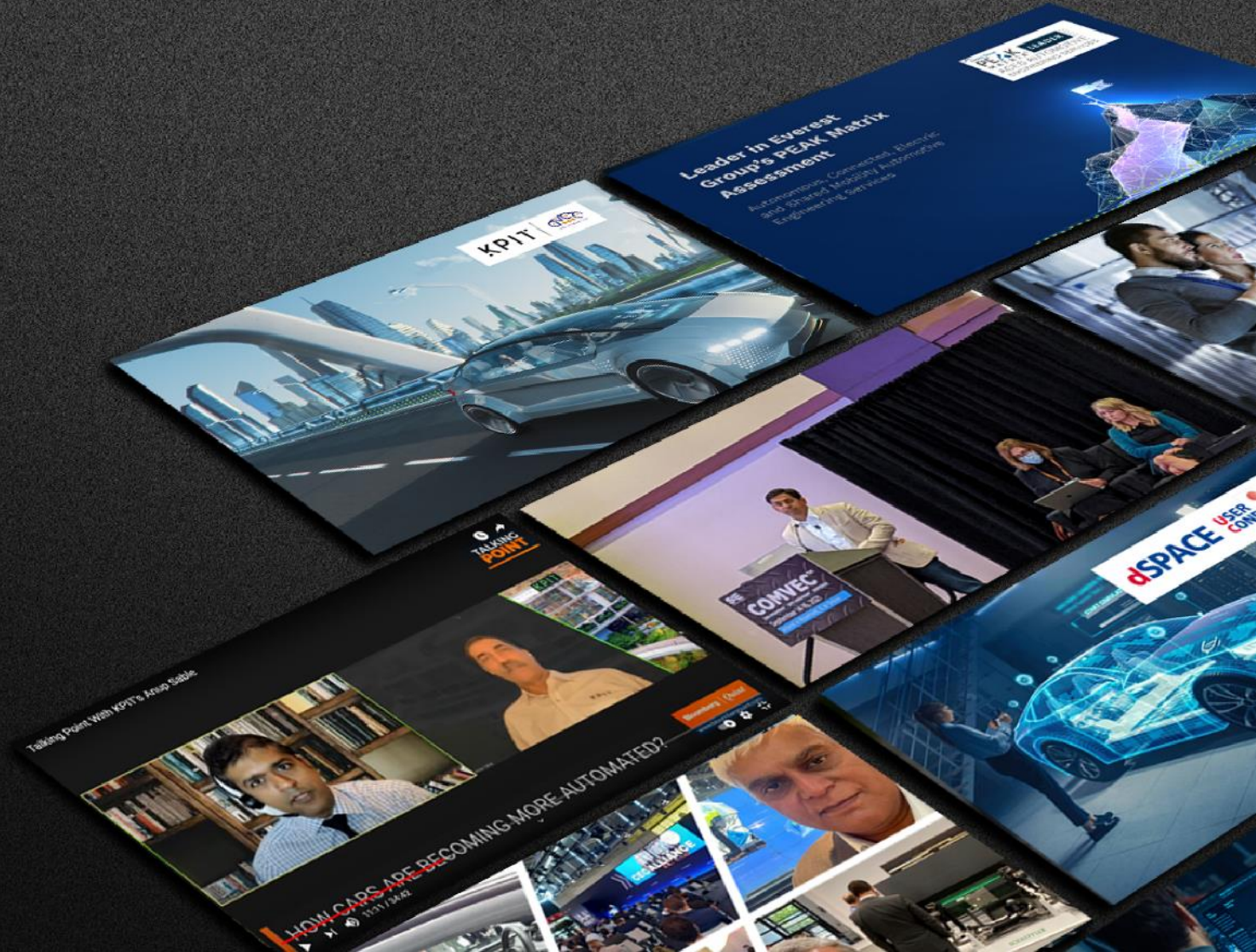
# KPIT

Reimagining Mobility *with YOU*

November 01, 2021

## Investor Update Q2FY2022

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

Q2FY22

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# Q2FY22 Performance Overview

**KPIT Q2FY22 USD Revenue grows 23.02% Y-o-Y  
Increase in Revenue and Profit outlook for the year**

**1**

FY2022 Revenue growth outlook increased to 18% - 20%  
FY2022 EBITDA margin outlook raised to 17.5+%

**2**

Q2FY22 EBITDA at 17.6% as compared to 17.3% last quarter  
post full quarter impact of wage hikes

**3**

Net Profit for the quarter at ₹ 651 million as against ₹ 602  
million last quarter, Y-o-Y growth of 134%, Q-o-Q, 8.1%

**4**

Q2FY22 reported revenue at USD 80.36 million, a CC  
growth of 4.8% Q-o-Q

# Q2FY22 Performance Highlights

- 01 Sequential CC growth of 4.8% across commercial vehicles and passenger cars verticals, broad based within geographies. Electric Powertrain and Diagnostics practices led the growth during the quarter

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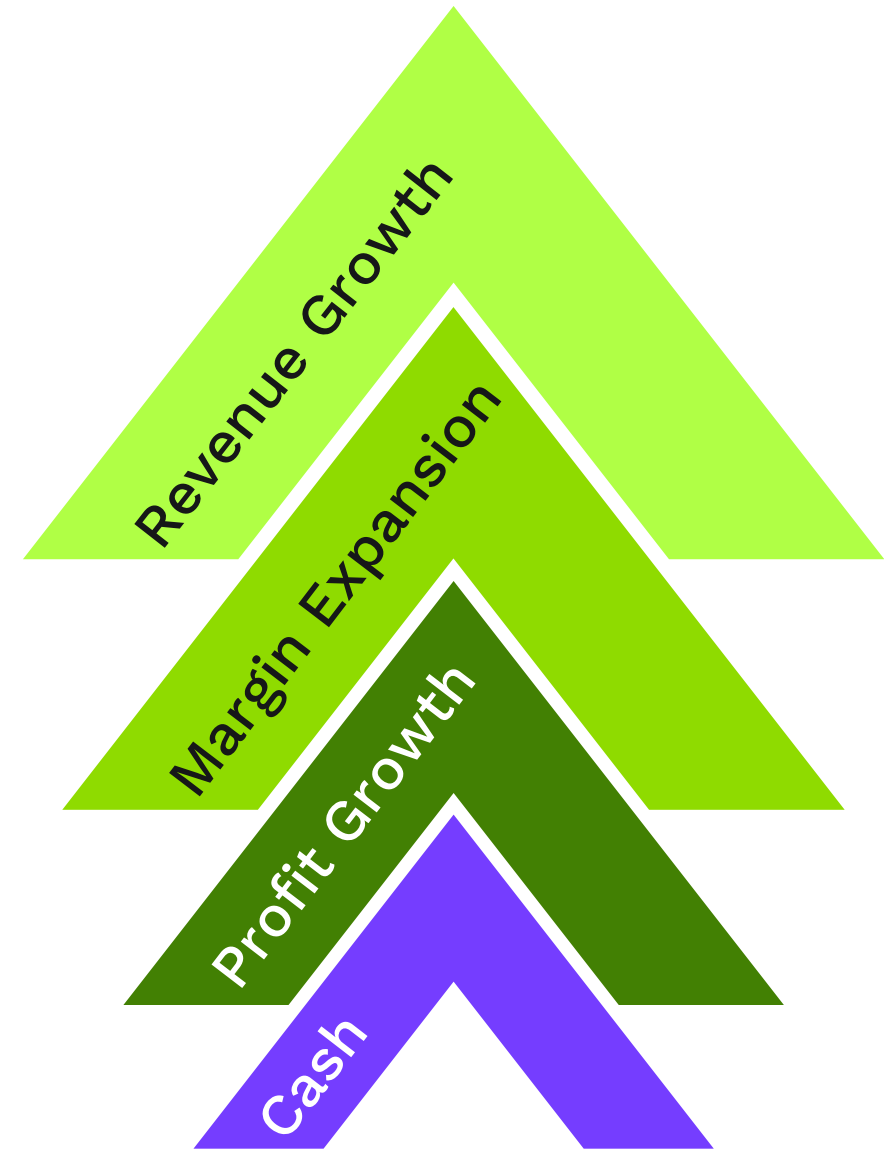
- 02 EBITDA expansion despite full quarter impact of wage hikes and fresher addition. Improvement in per person productivity, reduction in sub-contractor costs, pyramid improvement & revenue growth helped expand margins

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- 03 Sequential net profit growth aided by higher operating margins, in-line depreciation and higher yield on cash though the other income was lower due to unfavorable currency movements

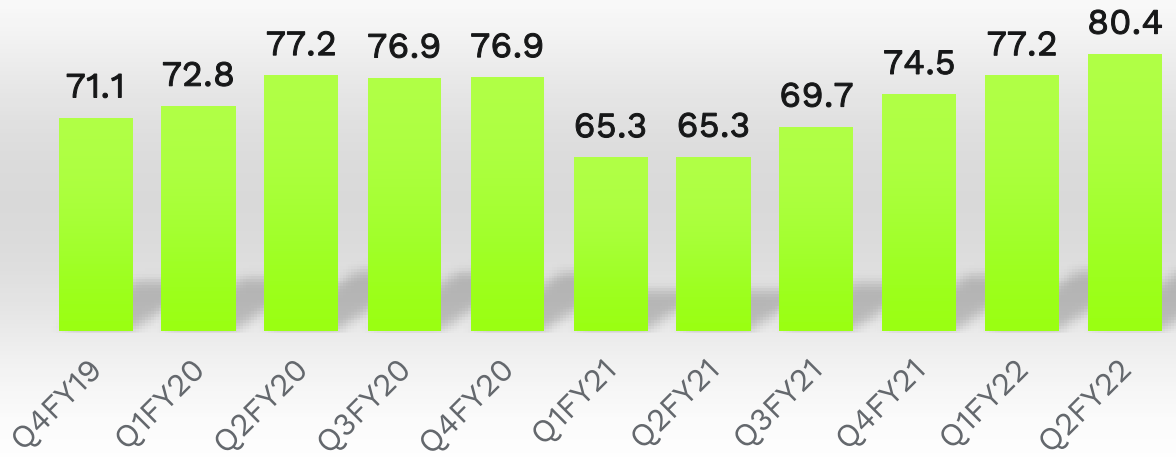
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- 04 High cash conversion continued post dividend payout, with DSO further reduced by 2 days to 48 days. 11<sup>th</sup> consecutive quarter of increase in net cash

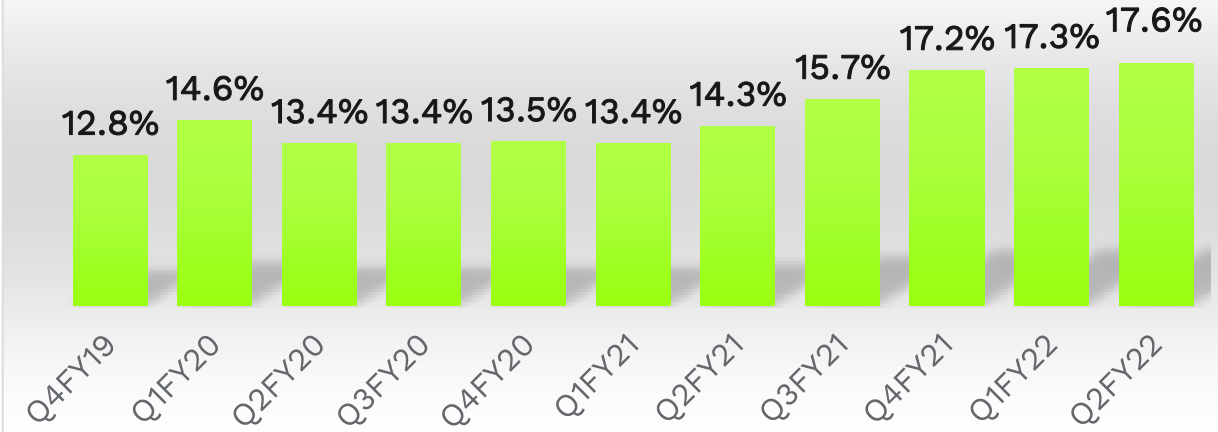


# Additional facts - timeseries

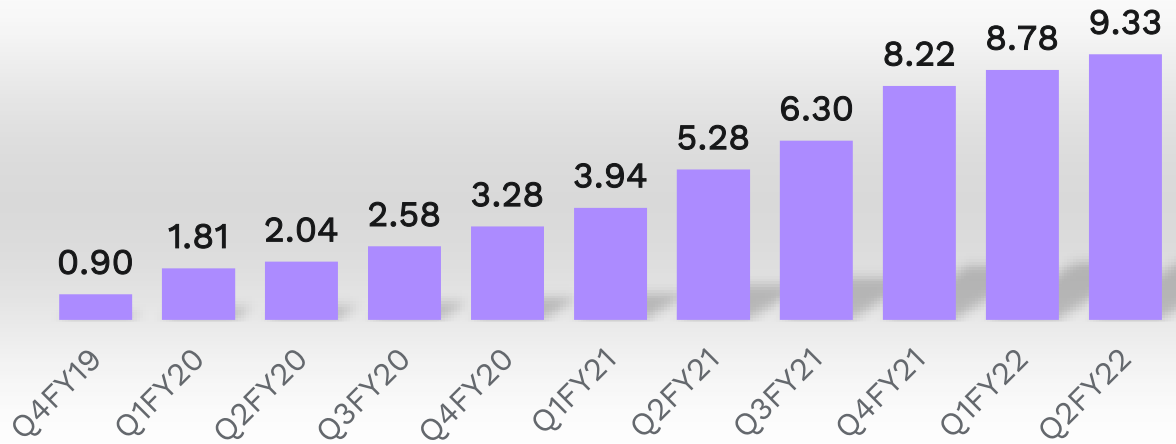
## Revenue \$ M



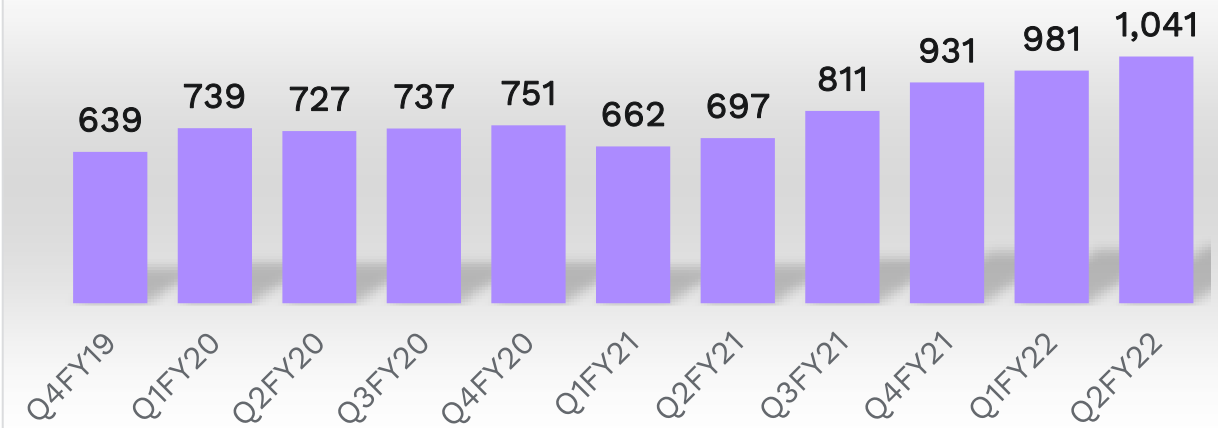
## EBITDA %



## Qtr. End Net Cash ₹ B



## EBITDA ₹ M



# Management Quotes



**Kishor Patil, CEO and MD, KPIT said,**” We are witnessing a robust demand environment resulting in strong order inflow and pipeline. With improved business visibility, we have increased our revenue and profit outlook for the year. Our strategic partnership with ZF will improve our positioning and further cater to the upcoming high spend areas of mobility companies. Q2FY22 was the fifth sequential quarter of margin expansion, despite higher-than-average increments during the quarter. We will continue to focus on productivity improvement, people retention and development and strengthening of front-end to enable us improve our overall performance on an ongoing basis”.

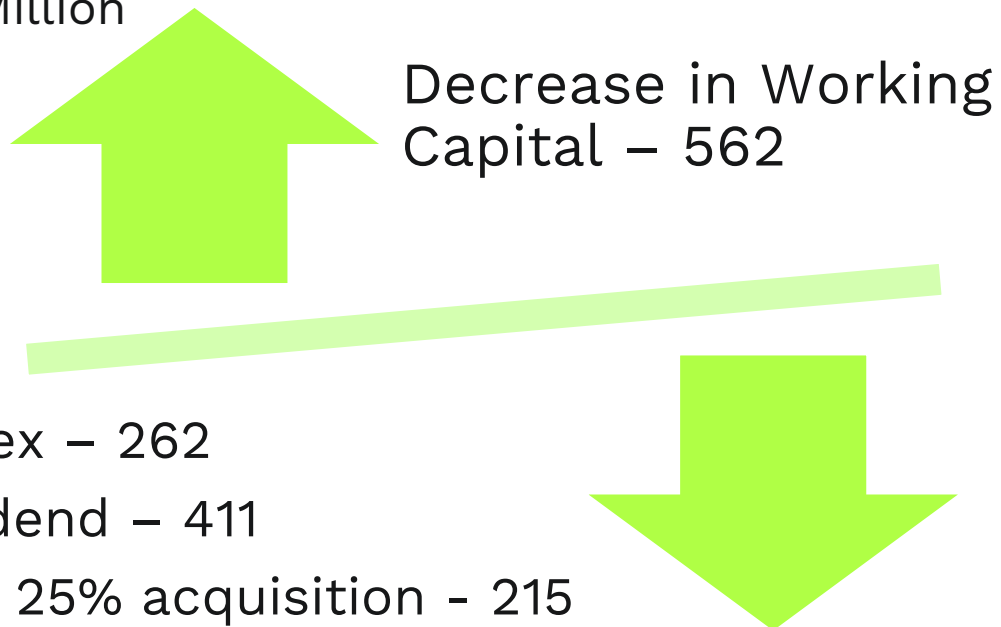


**Sachin Tikekar, President and Whole-time Director, KPIT said,**” While we are improving our operating performance every quarter, we continue to build upon our strategic initiatives of Platforms & Practices, Zero Defect Deliveries, Best Place to Grow and T25 Strategic Relationships. Through the CTO organization, we are continually strengthening our Practices with the right Platforms, Tools and Accelerators. We have increased coverage of Culture of Excellence Trainings and Individual Development Plans, building on the Best Place to Grow. We have made client facing investments and have deployed afresh, a Client Engagement Framework to further strengthen our strategic client relationships. We are excited about helping our clients accelerate their journey towards a cleaner, safer and smarter world”.



# Cash Flow – Major Movement

INR Million



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	4,854
In Investment Accounts (outside India)	2,584
In Operating Accounts	1,896
<b>TOTAL</b>	<b>9,334</b>



**Q-o-Q Increase in Net Cash : INR 548 Million**

NET CASH (INR Mln)	Q2FY22	Q1FY22
Gross Cash	9,334	8,786
Long Term Debt	NIL	NIL
Short Term Debt	NIL	NIL
<b>NET CASH</b>	<b>9,334</b>	<b>8,786</b>



**DSO Q2FY22 end : 48 Days**

# Strategic Engagement



KPIT wins a multi-million-dollar strategic engagement from a leading European Car Manufacturer in the Electric Powertrain domain.

The engagements spans over 5 years of software development and integration work. This will be followed by software maintenance. **The total deal value is expected to be USD 52 million.**

In the journey towards software-defined vehicles, the value KPIT will deliver in these programs become significant.

KPIT has been selected as a next gen software development and integration partner for the control unit of a new e-powertrain component, function development and software testing of all power electronics components of next gen Inverter, On-board Charger and Battery Management Systems (BMS).

# Major Development (1/2)



## KPIT and ZF form development cooperation for industry-leading middleware solution

- Addresses major gap in availability of a mature, modular, integrated middleware solution that allows mobility OEMs to manage the continual increase in software complexity while retaining full control of architecture.
- Builds on sustained investment by KPIT and ZF in solutions for “software-defined vehicles”.
- The joint development will create an open and scalable platform which can be used across OEMs and mobility customers

The continual increase in software complexity coupled with high-performance computing infrastructure needs a robust and dependable middleware solution. The lack of such a solution can potentially delay vehicle development and escalate technology spends.

Built with the software expertise of KPIT paired with ZF’s strong understanding of vehicle systems, a mature, modular middleware solution which can be deployed across OEMs represents a transformative opportunity for the mobility ecosystem. This cooperation will also bring onboard solutions from other technology companies, including semiconductor specialists, software companies, cloud services and start-ups.

# New Engagements

## Broad Based Engagements, across practices and geographies



A leading European Car Manufacturer selected KPIT for multiple strategic engagements in the Electric Powertrain domain



A leading European Car Manufacturer selected KPIT for a strategic program in the Autonomous Driving domain



A leading American Car Manufacturer selected KPIT for multiple engagements in the electric and conventional powertrain areas



A leading Asian OEM selected KPIT for a key engagement in the Autonomous Driving domain



A leading Asian Cab Aggregator selected KPIT for a program in the Digital Connected Solutions domain

# Major Development (2/2)



## KPIT and Future Mobility Solutions

- KPIT acquired initial 25% equity stake in Future Mobility Solutions GmbH (FMS)
- KPIT will acquire the balance 75% shareholding over a period of three years with majority shareholding expected to be acquired in the last quarter of Financial Year 2022-23
- Revenues from FMS will not be consolidated into KPIT till the majority stake is acquired.

- FMS is exclusively focused on the mobility industry. FMS is engaged in Software and Feature Development in Autonomous Driving, ADAS & Vehicle Safety and Integration & Validation.
- FMS will add certain unique proprietary offerings in the autonomous driving domain. The partnership will improve KPIT access to one strategic client with new offerings and strengthen KPIT market presence in Germany.
- FMS had revenues of Euro 4.30 million for the year ended December 31, 2020. Expected revenues for calendar year 2021 is Euro 5.4 million.

# FY22 – Focus Areas

## PLATFORMS AND PRACTICES

We will invest in the right practices and new technologies relevant to our strategic clients to further differentiate KPIT as a Software Integration Partner

## ZERO DEFECT DELIVERY

Our processes are aligned to ensure first time right delivery to our clients. Focus on Engineering Productivity improvement.

## BEST PLACE TO GROW

As stated, attrition went up in H1FY22, compared to last year. We continue to invest in Net Talent Creation, Career Development, Culture of Excellence, Talent retention & overall employee well being

## T25 Clients

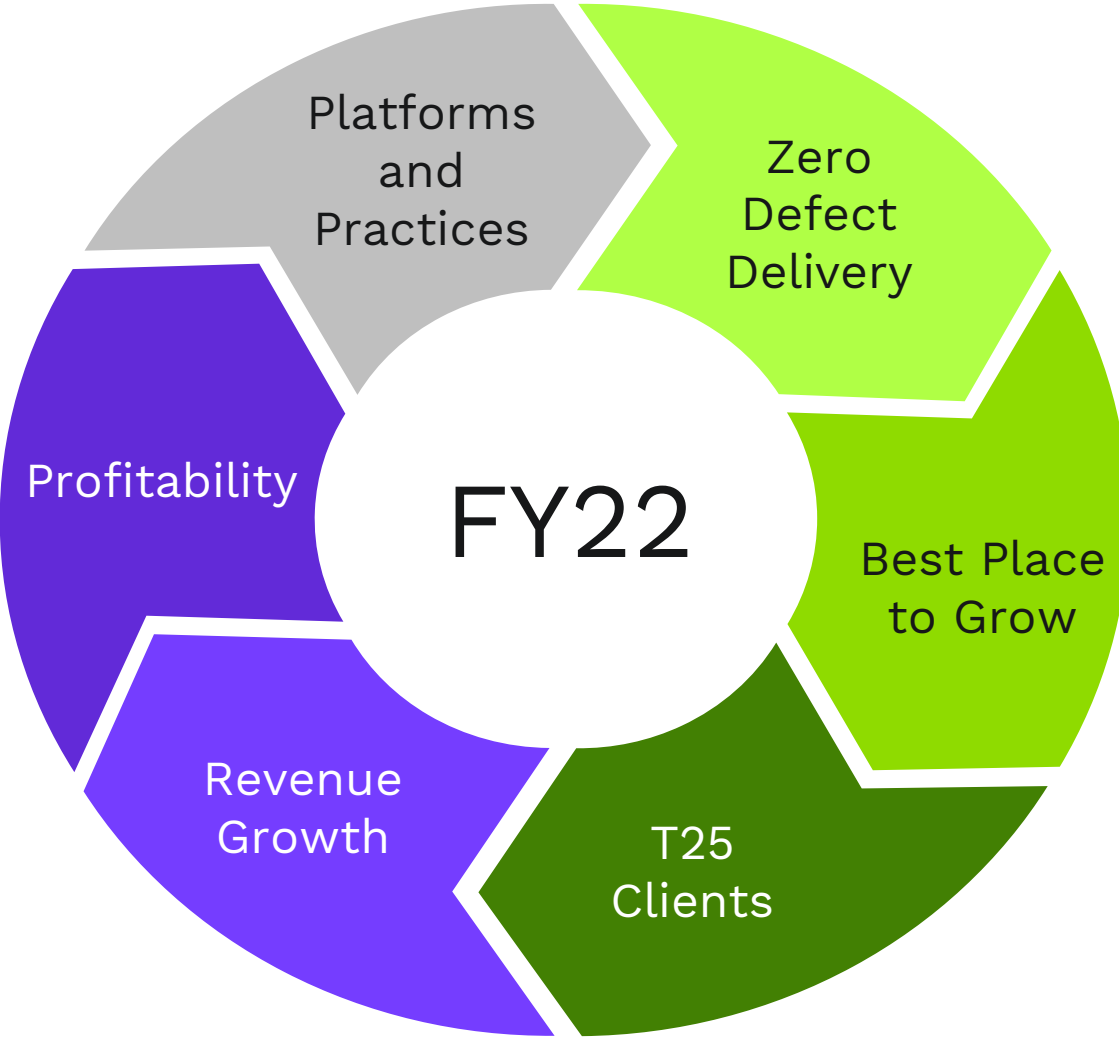
We will continue to deepen Client Engagements and improve on the overall Client Engagement Framework. We will boost client facing investments.



# FY22 – Revenue and Profitability

## REVENUE GROWTH

The revenue growth momentum will continue in H2FY22. The growth is expected to be broad based across practices and clients. We have a healthy order book and decent medium-term visibility, giving us confidence of **18% - 20% growth for FY22**



## PROFITABILITY

We had higher than normal wage hikes in Q2FY22 and we will continue to invest in fresher additions & client facing initiatives. Offshoring, productivity improvement, employee pyramid and fixed cost leverage will help us build on margins . We expect **FY22 EBITDA to be 17.5%+.**

# KPI1

## Other Updates

Q2FY22

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# Recognition



KPIT has been named a Leader in the Everest Group PEAK Matrix Assessment for Autonomous, Connected, Electric, and Shared (ACES) Mobility Automotive Engineering Services 2021.

KPIT's recognition as a Leader reflects its high degree of Vision and Capability combined with Market Impact. The assessment included 23 companies in the mobility engineering space categorized as Leaders, Major Contenders, and Aspirants.

It reinforces our vision to Reimagine mobility with the ecosystem for a cleaner, smarter and safer world.

[CLICK HERE](#) to read more

# Independent Director Appointment



## The KPIT Board of Directors has approved the appointment of Ms. Bhavana Doshi as Independent Director of KPIT

Bhavna Doshi, a founding partner of Bhavna Doshi Associates LLP, a boutique tax, accounting and regulatory advisory firm, is former partner of KPMG member firm in India. With specialization in fields of taxation and corporate restructuring, she has been providing advisory services to national and multi-national entities for over 30 years. She is a Chartered Accountant and holds Master's degree in Commerce from University of Mumbai.

She was elected to the Council of the Institute of Chartered Accountants of India (ICAI) for four terms of three years each. She has chaired Accounting Standards Board (which sets accounting standards), Research, Vision 2021 and other Committees of ICAI. She was also member of a group supporting Tax Administration Reform Commission chaired by Dr Parthsarathy Shome.

She has served as a member of the Government Accounting Standards Advisory Board set up by the Controller and Auditor General of India. She was a Member of Compliance Advisory Panel of International Federation of Accountants, headquartered in New York.

She is a Board Member of ICAI Accounting Research Foundation and also of Atal Innovation Centre, NMIMS. She serves as member of Board of Studies of Narsee Monjee College of Commerce and Economics (Autonomous).

Woman and child empowerment are very close to her heart and she actively pursues social activities.

# Independent Director Appointment



**The KPIT Board of Directors has approved the appointment of Prof. Rajiv Lal as Independent Director of KPIT**

Prof. Rajiv Lal is the Stanley Roth, Sr. Professor of Retailing at Harvard Business School. He is currently teaching Core Marketing in the MBA program. Prior to this assignment, he developed and taught an elective MBA course on Business of Smart Connected Products/IOT. Prof. Lal also teaches in several Executive Education programs.

Prof. Lal has worked with a wide range of companies, including Citigroup, Philips, GE, PTC, John Deere, Standard Life Plc, Credit Suisse, Best Buy, Microsoft, Staples, and other well-known companies on strategy development and execution

Prof. Lal was a Professor at the Graduate School of Business at Stanford University beginning in 1982. He was the Thomas Henry Carroll Ford Foundation Visiting Professor at Harvard Business School from 1997-98. He was the Visiting Professor of Marketing at INSEAD, France in 1986, 1988, 1992, and 1993. He did his undergraduate work in Mechanical Engineering at the Indian Institute of Technology, Kanpur and received his Ph.D. in Industrial Administration from Carnegie-Mellon University.

Prof. Lal's published work includes Retail Revolution: Will Your Brick-and-Mortar Store Survive?, "Retail Doesn't Cross Borders: Here's Why and What to do About it" in Harvard Business Review, "Retailing Revolution: Category Killers on the Brink" in HBS Working Knowledge, and Marketing Management: Text and Cases. He has published more than twenty-five articles in academic journals and more than 80 cases and other teaching materials

# Thought Leadership Updates



## KPIT at Comvec 2021

COMVEC is a premier conference focusing on the latest innovations in commercial vehicle technologies. Organized by SAE International, it focuses on new solutions for Energy Balance & Future Transportation

Suga Ragunathan, Director, Autonomous Driving and ADAS, KPIT, was a panelist for the discussion on 'Product Development: ADAS/AD Validation of CVs'.

Chinmay Pandit, Head - Commercial Vehicles Vertical & Member of the Executive Board, KPIT, was a panelist for the discussion on 'Workforce in Digital World'.



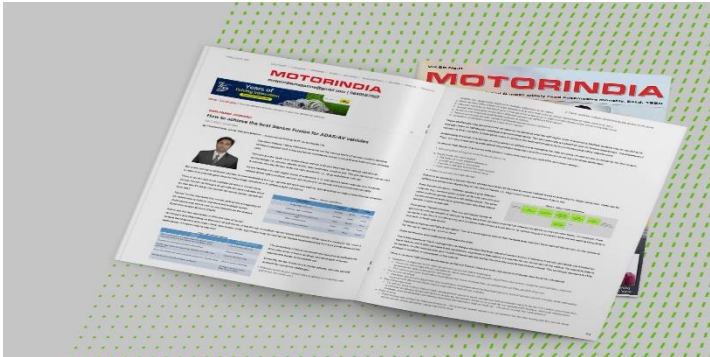
## Automobilwoche – Interview

Automobilwoche, a leading German automotive industry newspaper, published an interview of Mr. Kishor Patil, CEO & MD, KPIT, and Mr. Jens Tillner, MD, KPIT GmbH,.

Here is a quote from this interview:

"The automotive industry is on the way towards the software-defined vehicle. This means that the vehicle manufacturers' business model will change significantly in the next 4 to 5 years, and they will increasingly want to offer additional services. This is where we would like to support and enable our clients."

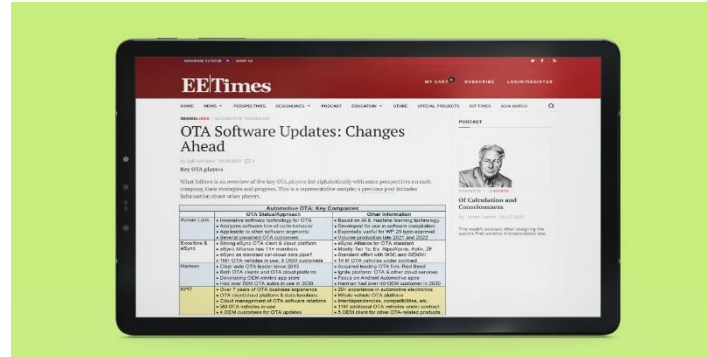
# Other Updates



KPIT's article got published in MOTORINDIA– How to achieve the best Sensor Fusion for ADAS/AV vehicles

Authored by Prashant Vora, Senior Practice Director, Autonomous Driving, KPIT.

The article talks about the different Sensor Fusion techniques, challenges one needs to overcome, and key aspects of design strategy and validation to ensure high levels of accuracy for Sensor Fusion.



KPIT featured in EETimes by leading automotive analyst Dr. Egil Juliussen

Dr. Egil Juliussen, discusses the changes in the OTA market & the key OTA players, including KPIT

*"KPIT's cloud platform is focused on managing the large software and hardware dependencies among many software platforms. Those dependencies include the variations OEMs must account for as they deploy OTA across models, brands, and regions."*



KPIT's article gets published in Express Mobility -Cloud Computing in Autonomous Driving & ADAS Development

An article 'Cloud Computing in Autonomous Driving & ADAS Development' authored by Mr. Rajiv Tandon, Subject Matter Expert at KPIT, was published in Express Mobility on Financial Express. This article discusses the significant impact of Cloud computing and Data management on development costs and timelines.

# KPIT

## Financial & Operational Data

Snapshot

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# Profit & Loss Account Snapshot

INR MN

DETAILS	Q2FY22	Q1FY22	Q2FY21
Revenue from Operations	5,908.73	5,673.81	4,854.59
Other Income	89.37	99.76	24.52
Total Income	5,998.10	5,773.57	4,879.11
Operating Expenses	4,868.14	4,692.65	4,158.04
EBITDA	1,040.59	981.16	696.55
Depreciation	290.93	286.46	354.90
EBIT	749.66	694.70	341.65
Finance Costs	38.56	40.10	43.70
Change in FMV of Investments	21.39	21.60	0.68
Profit Before Exceptional Items	821.86	775.96	323.15
Exceptional items	-	-	32.04
PBT	821.86	775.96	355.19
Tax	170.86	173.50	83.66
PAT	651.00	602.46	271.53
Profit Attributable to owners of the company	651.00	602.46	278.88
Profit Attributable to non-controlling interest	-	-	(7.35)

# Balance Sheet Snapshot

INR MN

ASSETS	Q2FY22	Q1FY22
<u>NON-CURRENT ASSETS</u>		
Property, Plant & Equipment	1,868.99	1,909.14
Right-of-use Assets	2,304.49	2,438.75
Other Tangible Assets	136.70	158.80
Goodwill & Other Intangibles	1,397.59	1,370.56
Other Non-Current Assets	1,137.22	869.47
TOTAL NON-CURRENT	6,844.99	6,746.72
<u>CURRENT ASSETS</u>		
Inventories	NIL	NIL
Cash and Cash Equivalents	9,333.79	8,786.36
Trade Receivables	3,604.79	3,186.99
Other Current Assets	1,407.87	1,805.02
TOTAL CURRENT	14,346.45	13,778.37
TOTAL ASSETS	21,191.44	20,525.09

EQUITY & LIABILITIES	Q2FY22	Q1FY22
Equity Share Capital	2,696.18	2,691.54
Other Equity	10,042.32	9,857.96
Equity attributable to owners	12,738.50	12,549.50
Non-controlling interests	-	-
TOTAL EQUITY	12,738.50	12,549.50
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Lease Liabilities	1,748.95	1,857.09
Other Non-Current Liabilities	772.38	480.64
TOTAL NON-CURRENT	2,521.33	2,337.73
<u>CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Trade Payables	1,508.18	1,802.46
Lease Liabilities	329.07	351.51
Others	4,094.36	3,483.89
TOTAL CURRENT	5,931.61	5,637.86
TOTAL EQUITY AND LIABILITIES	21,191.44	20,525.09



# Revenue Break-up

USD MN

Geography	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
US	32.53	31.76	27.30	2.4%	19.2%
Europe	32.13	30.37	26.67	5.8%	20.5%
Asia	15.69	15.07	11.34	4.1%	38.4%
TOTAL	80.36	77.21	65.32	4.1%	23.0%

Verticals	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
Passenger Cars	59.70	58.40	50.63	2.2%	17.9%
Commercial Vehicles	19.66	17.95	14.05	9.5%	39.9%
Others	0.99	0.85	0.64	16.5%	54.7%
TOTAL	80.36	77.21	65.32	4.1%	23.0%

Practices	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
Powertrain	31.58	28.05	24.18	12.6%	30.6%
AD-ADAS	14.45	15.77	16.38	(8.4)%	(11.8)%
Connected Vehicle	8.41	9.07	7.32	(7.3)%	14.9%
Others	25.92	24.31	17.44	6.6%	48.6%

# P&L Metrics

	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
<b>Revenue by Contract Type</b>					
Time & Material Basis	43.7%	43.6%	52.0%	4.5%	3.5%
Fixed Price Basis	56.3%	56.4%	48.0%	3.8%	44.2%
<b>Clients</b>					
Strategic T21 Client Revenue	83.82%	84.62%	86.1%	3.1%	19.8%
Active Clients	55	55	55		

Revenue per Devp. Employee USD	51,910	51,257	42,602
EBITDA Margin	17.6%	17.3%	14.3%
EBIT Margin	12.7%	12.2%	7.0%
PAT Margin	11.0%	10.6%	5.7%
Effective Tax Rate	20.8%	22.4%	23.6%
EPS (Basic)	2.42	2.24	1.04
EPS (Diluted)	2.39	2.21	1.03

# Currency wise revenues, Hedging Details

Currency wise revenue	Q2FY22	Q1FY22	Q2FY21
USD	41.9%	41.7%	43.9%
EUR	34.0%	33.0%	34.5%
GBP	5.5%	5.7%	4.5%
JPY	10.4%	10.2%	8.0%
INR	4.4%	4.9%	5.8%
Others	3.8%	4.6%	3.4%

Realized Rate	Q2FY22	Q1FY22	Q2FY21
INR/USD	73.53	73.49	74.32

O/s Hedge Details	Q2FY22
<b>Hedge Rates</b>	
USD/INR	76.42
EUR/INR	91.72
GBP/INR	105.46
<b>Hedge Amounts(Mn)</b>	
USD/INR	21.73
EUR/INR	6.05
GBP/INR	4.08

# Headcount Data

Period End Headcount	Q2FY22	Q1FY22	Q2FY21	Q-o-Q	Y-o-Y
Development	6,192	6,025	6,133	-	-
Enabling & Sales	540	539	497	-	-
Total	6,732	6,564	6,630	-	-

# KPIT

## Contact Us

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# Conference Call Details

Conference name	: KPIT Technologies Q2 FY2022 Post Earnings Conference Call
Date	: Tuesday November 02, 2021
Time	: 1600 Hrs.
Participants	: Mr. Kishor Patil, Co-founder, CEO & MD Mr. Sachin Tikekar, President & Board Member Mrs. Priya Hardikar, SVP & Head of Finance Mr. Sunil Phansalkar, Head-IR
Dial-in Numbers for all participants	
<a href="#">Click here for Diamond Pass</a>	
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 6,250+ 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. 29

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

# Contact

For Investor Queries



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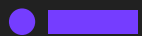
Website  
[www.kpit.com](http://www.kpit.com)





# KPIT

## THANK YOU !!



KPIT Technologies Ltd.

