

July 24, 2024

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400001.

Scrip ID: KPITTECH
Scrip Code: 542651

Kind Attn: The Manager,
Department of Corporate Services

Dear Sir / Madam,

Subject:- Investor Update – Q1 FY 2025.

Please find enclosed the investor Update – Q1 FY 2025.

Kindly take the same on your records.

Thanking you.

Yours faithfully,

For **KPIT Technologies Limited**

Nida Deshpande
Company Secretary & Compliance Officer

Encl.: - as above

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

KPIT

Reimagining Mobility *with YOU*

July 24, 2024

Investor Update Q1FY25

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.

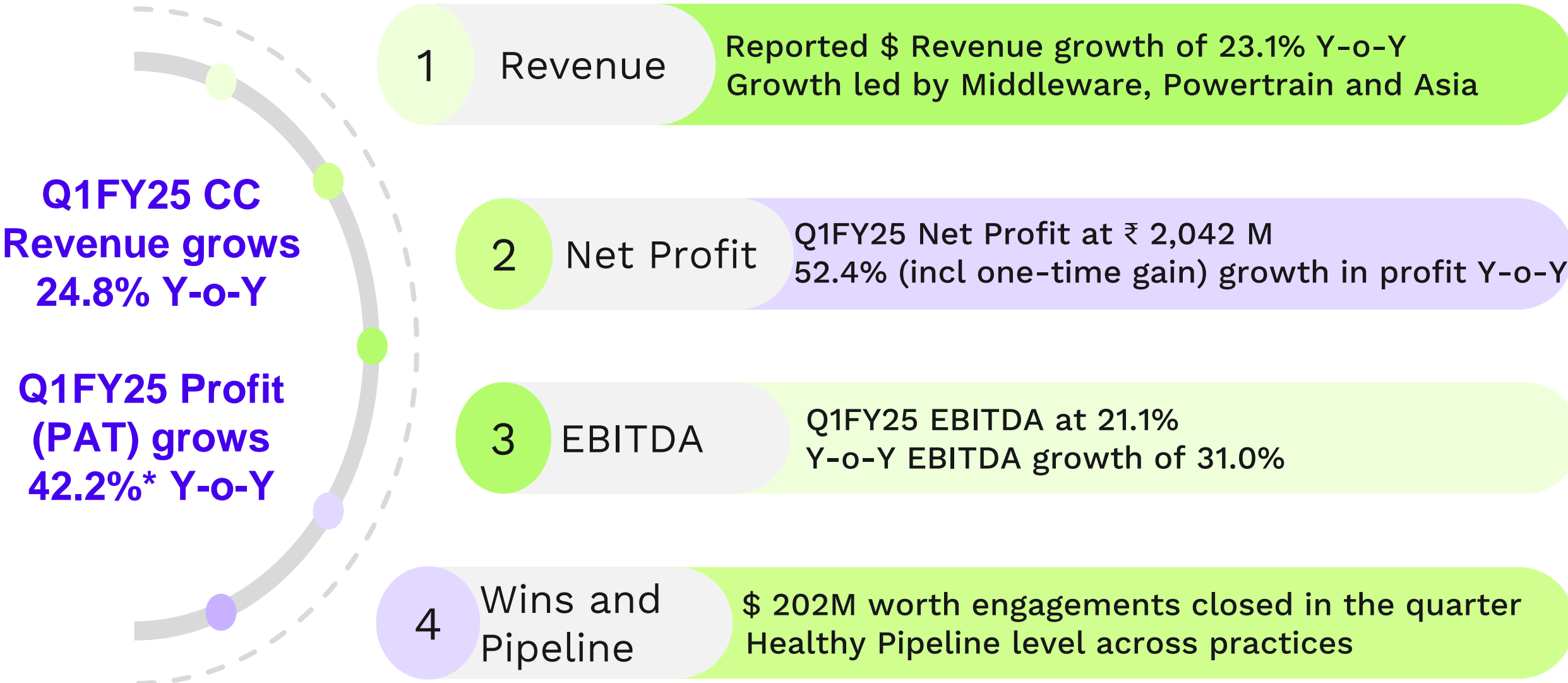
KPI1

Performance Overview

Q1FY25

Reimagining Mobility *with YOU*

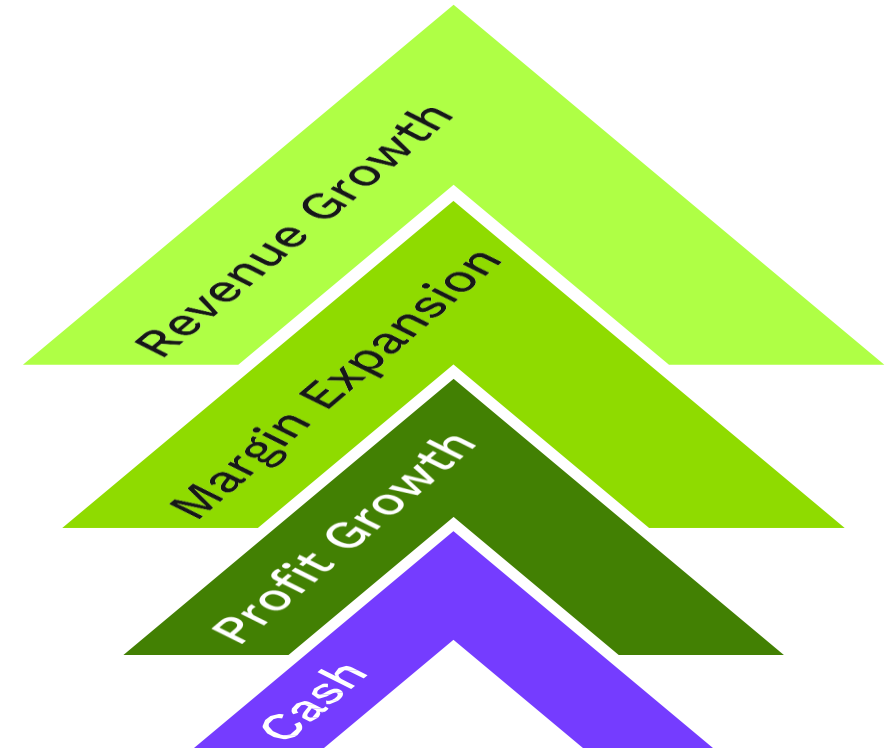
Performance Overview



Performance Highlights

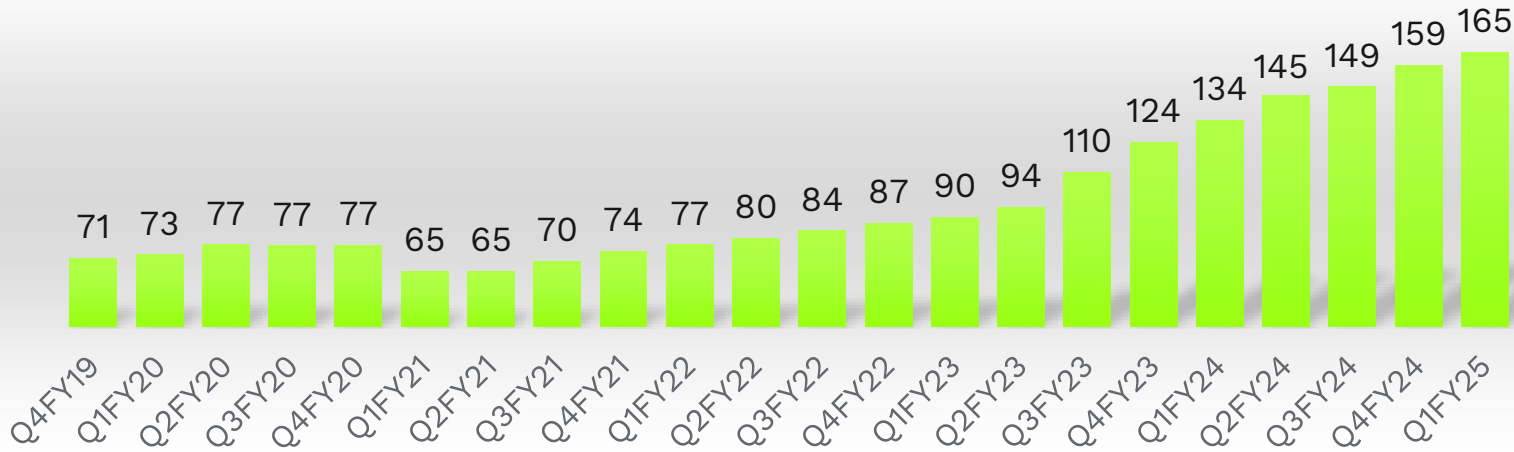
Net Profit Working (₹ million)	Q1FY25	Q1FY24	Q4FY24	Growth (Y-o-Y)	Growth (Q-o-Q)
Reported Profit	2,042	1,340	1,643	52.4%	24.3%
One-time Income	396	134	-	-	-
Tax on above item	69	-	-	-	-
Profit excluding one-time impact	1,715	1,206	1,643	42.2%	4.4%

- 01 Q-o-Q CC growth of 4.7% and reported \$ growth of 3.7%. Growth led by passenger cars.
- 02 EBITDA margins improved to 21.1% post two months of ESOP cost and quarterly promotions, mainly due to fixed cost leverage. Sequential EBITDA growth of 5.6%
- 03 Other income was lower as compared to last quarter due to conversion losses Yen denominated assets. ETR was in-line with our annual outlook.
- 04 Net Cash Balance at the end of the quarter stood at ₹ 10.01 billion, depicting a net cash addition of ₹ 1.50 billion. DSO at the end of the quarter stood at 46 Days.



Additional facts - timeseries

Revenue \$ Million

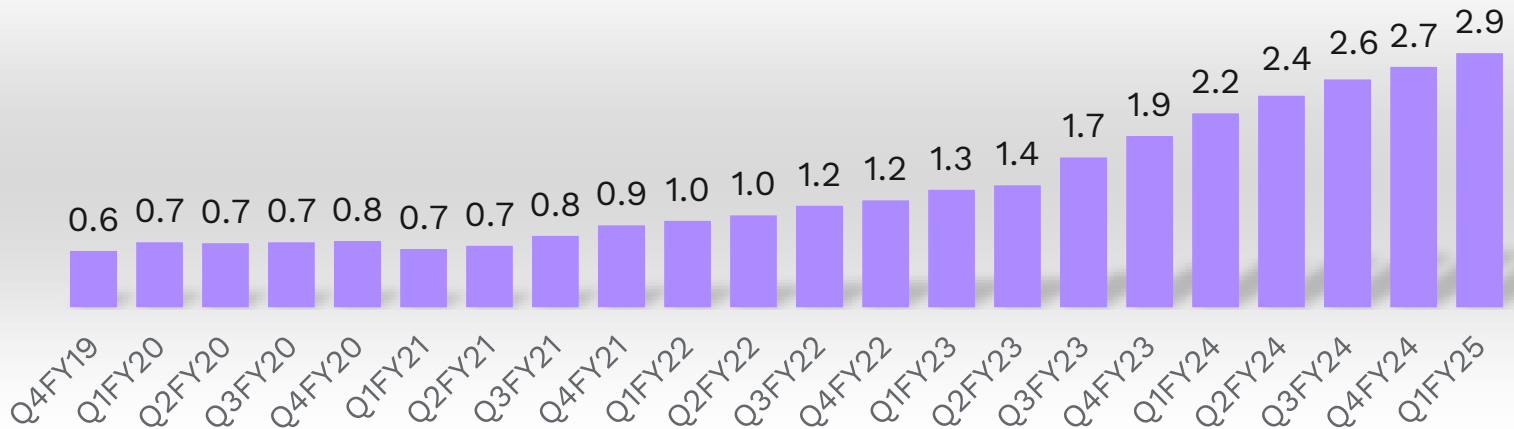


Consistent Performance



16 Consecutive Quarters of Steady Revenue Growth

EBITDA ₹ Billion



16 Consecutive Quarters of Steady EBITDA Growth

Management Quotes

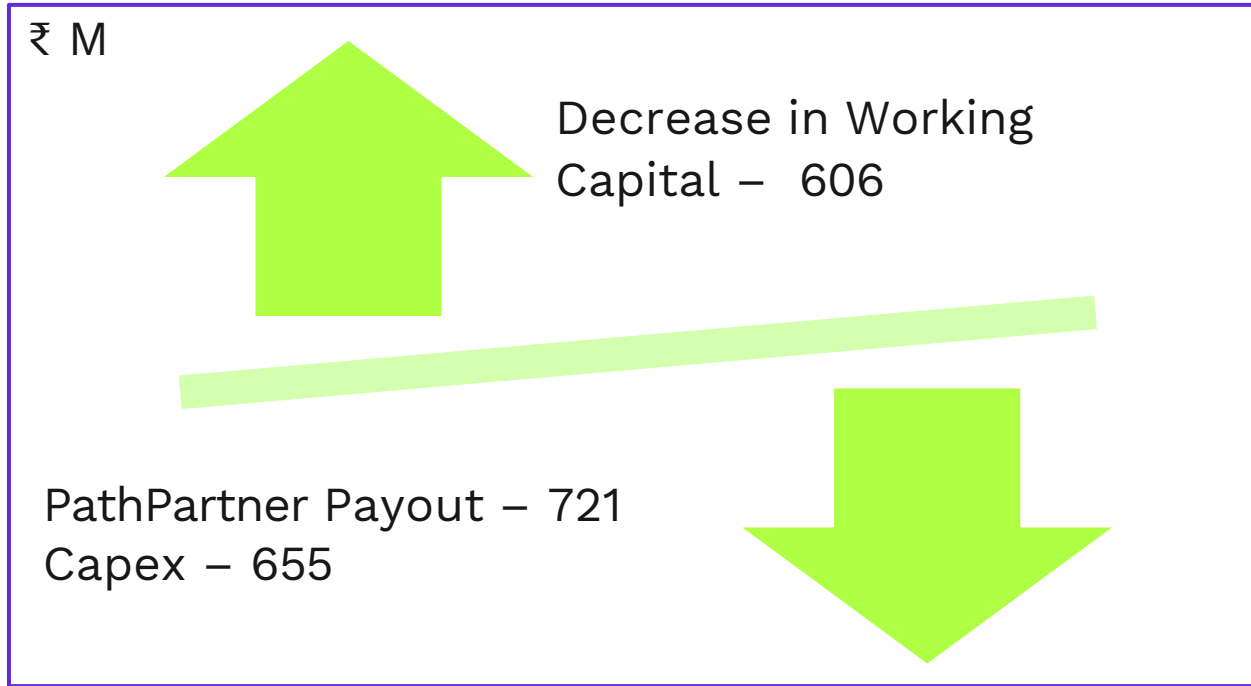


Kishor Patil, Co-founder, CEO and MD, KPIT said,” We have started the year on a positive note with an all-round robust performance. While the mobility industry is going through certain pressures on the demand and profitability fronts, we are proactively investing in creating relevant large, differentiated offerings to support our clients reduce their costs and time-to-market. We are also investing in adjacencies and newer geographical markets. We expect creation of meaningful growth opportunities via both these investments and continue with the growth momentum, paving way for a fair demand visibility in the medium term.”



Sachin Tikekar, Co-founder and Joint MD, KPIT said,” Our attention remains on making Software Defined Vehicles (SDV) a reality for our clients, so that they realize its benefits. We are working on productivity and competency improvement aided by AI, to improve our competitiveness and offer differentiated offerings to clients. The attrition numbers continue to drop further, justifying our continual investments in overall people development. Sustainability, in line with our Vision of ‘a cleaner, safer and smarter world’ is one of the prime key result areas for us. We are anchoring our goals on Science Based Targets (SBTs) towards carbon neutral footprint of our own.”

Cash Flow – Major Movement



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	1,454
In Investment Accounts (outside India)	4,443
In Operating Accounts	4,563
TOTAL	10,460

NET CASH (₹ M)	Q1FY25	Q4FY24
Gross Cash	10,460	8,959
Long Term Debt	NIL	NIL
Short Term Debt	447*	445*
NET CASH	10,013	8,514



DSO Q1FY25 end : 46 Days

* Debt in the books of Technica

New Engagements

Strong Wins - TCV of new engagements won during Q1FY25 : \$ 202 million



A Leading European Car Manufacturer selected KPIT for a significant engagement in the connected vehicle domain.



Strategic engagements in the autonomous, connected and powertrain domains for a leading European Car Manufacturer.



Crucial engagements in the middleware and architecture domains with a leading American Car Manufacturer.



Strategic engagements in the connected, middleware and architecture domains with a leading Asian Car Manufacturer



Key Engagements in powertrain and connected domains for a leading American Commercial Vehicle OEM.

Qorix Update

KPIT and ZF have completed initial Cash and IP contributions to Qorix post all regulatory approvals

Following completion of all regulatory requirements, middleware specialist QORIX GmbH is now an independent company. The founding companies KPIT Technologies Ltd. and ZF Friedrichshafen AG are its shareholders with 50:50 ownership. Qorix has also setup a India subsidiary named Qorix India Pvt. Ltd.

Qorix joins Eclipse Foundation SDV Group to shape Automotive Software

QORIX announced its membership in the Software Defined Vehicle (SDV) Working Group at The Eclipse Foundation. This step highlights QORIX's commitment to advancing software-defined vehicle technologies amid growing software complexity in the automotive industry.

Qorix turning a 50:50 venture from a wholly owned KPIT company resulted in one-time gain in Q1FY25

- A gain of ₹ 197.22 million on transfer of IPs to Qorix under "Other income" along with a related tax expense of ₹ 68.92 million under "tax expense".
- A gain of ₹ 199.07 million under "Other income" resulting from derecognition of the assets and liabilities of Qorix, due to conversion to JV from a subsidiary.

KPI1

Other Updates

Q1FY25

Reimagining Mobility *with YOU*

Launch of EcoVoyage 2030

KPIT embarked on a significant journey towards sustainability with the launch of EcoVoyage 2030. This strategic commitment underscores KPIT's Vision of "Reimagining Mobility for a cleaner, smarter, and safer world" by integrating sustainable practices into our business operations, technology solutions, and client partnerships. The program kicked off in June 2024, with the celebration of Sustainability Month, wherein all KPITians came together to contribute to various sustainability initiatives.



● SUSTAINABILITY BINGO



● SEED SOWING ACTIVITY



● MUG MONDAY



● FEEL THE HEAT

KPIT leaders featured on popular media outlets



In an interview with Forbes India, Mr. Ravi Pandit and Mr. Kishor Patil shared the inspiring story behind KPIT's transformation. They reminisced on the company's 35-year journey, highlighting the pivotal decision to focus on automotive and mobility in 2018-19. The interview underscored the unwavering conviction that fueled this strategic shift and the incredible dedication of KPITians over the past three decades.

A recent Automobil Elektronik cover story featured both Mr. Kishor Patil, Co-founder, CEO & Managing Director of KPIT, and Dr. Gabriel Seiberth, President & Geography Head-Europe. Their insightful discussion explored the challenges and opportunities presented by the software-driven transformation within the automotive industry. They highlighted KPIT's unique expertise in software integration, which empowers automakers globally, particularly in Europe, to navigate the road to SDVs efficiently.

Recognitions



KPIT received a well-deserved nomination for the prestigious Global Diversity, Equity, and Inclusion (DEI) Champion of the Year award from the WardsAuto AutoTech Awards. This recognition is a significant acknowledgement of KPIT's unwavering commitment to fostering a culture of inclusion within the workplace and driving positive change across the industry, through initiatives like KPIT Women in Mobility.



KPIT achieved a significant accomplishment by securing a coveted spot in Automobilwoche's ranking of the top 25 engineering service providers. This recognition underscores KPIT's unwavering commitment to excellence within the ever-changing automotive and mobility landscape.

KPIT

Financial & Operational Data

Snapshot

Reimagining Mobility *with YOU*

Profit & Loss Account Snapshot

INR MN

DETAILS	Q1FY25	Q4FY24	Q1FY24
Revenue from Operations	13,646.30	13,178.00	10,976.22
Other Income	543.07	158.95	78.16
Gain on account of Business Combinations	-	-	134.13
Total Income	14,189.37	13,336.95	11,188.51
Operating Expenses	10,764.70	10,449.26	8,837.42
EBITDA	2,881.60	2,728.74	2,200.12
Depreciation	525.14	526.97	450.44
EBIT	2,356.46	2,201.77	1,749.68
Finance Costs	127.31	117.94	137.10
Change in FMV of Investments	1.37	7.39	2.79
Profit Before Exceptional Items	2,773.59	2,250.17	1,766.34
Profit/(loss) from equity accounted investee	(6.62)	(5.37)	-
PBT	2,766.97	2,244.80	1,766.34
Tax	725.37	585.62	421.95
PAT	2,041.60	1,659.18	1,344.39
Profit Attributable to owners of Company	2,041.60	1,643.49	1,339.98
Profit Attributable to non-controlling interest	-	15.69	4.41

Balance Sheet Snapshot

INR MN

ASSETS	Q1FY25	Q4FY24
<u>NON-CURRENT ASSETS</u>		
Property, Plant & Equipment	2,354.23	2,395.27
Right-of-use Assets	3,173.80	3,033.45
Other Tangible Assets	3.48	5.16
Goodwill & Other Intangibles	13,659.10	14,300.35
Other Non-Current Assets	2,815.08	1,373.37
TOTAL NON-CURRENT	22,005.69	21,107.60
<u>CURRENT ASSETS</u>		
Inventories	973.29	902.49
Cash and Cash Equivalents	10,460.05	8,958.73
Trade Receivables	6,753.69	7,489.47
Other Current Assets	3,908.58	3,220.67
TOTAL CURRENT	22,095.61	20,571.36
TOTAL ASSETS	44,101.30	41,678.96

EQUITY & LIABILITIES	Q1FY25	Q4FY24
Equity Share Capital	2,713.54	2,712.17
Other Equity	21,008.53	18,746.41
Equity attributable to owners	23,722.07	21,458.58
Non-controlling interests	-	171.09
TOTAL EQUITY	23,722.07	21,629.67
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Lease Liabilities	2,305.87	2,167.48
Other Non-Current Liabilities	1,187.73	2,755.92
TOTAL NON-CURRENT	3,493.60	4,923.40
<u>CURRENT LIABILITIES</u>		
Borrowings	446.94	445.10
Trade Payables	3,066.13	2,397.69
Lease Liabilities	683.67	672.68
Other Current Liabilities	12,688.89	11,610.42
TOTAL CURRENT	16,885.63	15,125.89
TOTAL EQUITY AND LIABILITIES	44,101.30	41,678.96

Revenue Break-up

USD MN

Verticals*	Q1FY25	Q4FY24	Q1FY24	Q-o-Q	Y-o-Y
Passenger Cars	132.02	125.55	100.53	5.2%	31.3%
Commercial Vehicles	27.86	27.76	28.78	0.4%	(3.2)%

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

Business Units#	Q1FY25	Q4FY24	Q1FY24	Q-o-Q	Y-o-Y
Feature Development & Integration	100.59	98.64	82.14	2.0%	22.5%
Architecture & Middleware Consulting	33.78	29.70	28.03	13.7%	20.5%
Cloud Based Connected Services	30.50	30.68	23.77	(0.6)%	28.3%

#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	Q1FY25	Q4FY24	Q1FY24	Q-o-Q	Y-o-Y
US	46.47	47.24	44.91	(1.6)%	3.5%
Europe	84.97	82.25	68.08	3.3%	24.8%
Asia	33.42	29.53	20.96	13.2%	59.4%

P&L Metrics

	Q1FY25	Q4FY24	Q1FY24	Q-o-Q	Y-o-Y
Revenue by Contract Type					
Time & Material Basis	46.5%	49.2%	55.0%	(2.0)%	4.1%
Fixed Price Basis	53.5%	50.8%	45.0%	9.2%	46.3%
Clients					
Strategic Client Revenue	86.5%	86.4%	82.6%	3.8%	28.9%
Active Clients (Period End)	60	60	60		
Revenue per Devp. Employee USD	53,018	52,725	49,439		
R&D Expenditure (USD MN)	3.29	3.70	3.01		
EBITDA Margin	21.1%	20.7%	20.0%		
EBIT Margin	17.3%	16.7%	15.9%		
PAT Margin	15.0%	12.5%	12.2%		
Effective Tax Rate	26.2%	26.1%	23.9%		
EPS (Basic)	7.53	6.06	4.95		
EPS (Diluted)	7.47	6.02	4.91		

Currency wise revenues, Hedging Details

Currency wise revenue	Q1FY25	Q4FY24	Q1FY24
USD	28.7%	30.7%	34.0%
EUR	45.5%	45.6%	44.5%
GBP	5.2%	5.7%	6.0%
JPY	15.7%	12.4%	10.5%
INR	3.0%	3.5%	3.5%
Others	1.8%	2.0%	1.5%

O/s Hedge Details	Q1FY25
Hedge Rates	
USD/INR	84.26
EUR/INR	92.51
GBP/INR	106.16
JPY/INR	0.57
Hedge Amounts(Mn)	
USD/INR	65.90
EUR/INR	34.10
GBP/INR	9.76
JPY/INR	4,220

Headcount Data

Period End Headcount	Q1FY25	Q4FY24	Q1FY24	Q-o-Q	Y-o-Y
Development	12,438	12,064	10,837	-	-
Enabling & Sales	815	792	734	-	-
Total	13,253	12,856	11,571	-	-

KPIT

Contact Us

Reimagining Mobility *with YOU*

Conference Call Details

Conference name : KPIT Technologies Q1 FY2025 Post Earnings Conference Call
Date : Wednesday July 24, 2024
Time : 1730 Hrs.
Participants : Mr. Kishor Patil, Co-founder, CEO & MD
Mr. Sachin Tikekar, President, Joint MD
Mr. Anup Sable, CTO
Mrs. Priya Hardikar, CFO
Mr. Chinmay Pandit, Whole-time Director & Head Americas
Mr. Sunil Phansalkar, VP CF&G , 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 13,000+ 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.

KPIT

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

Contact

For Investor Queries



Email

Sunil.Phansalkar@kpit.com



Desk Phone

+ 91 20 6770 6997



Cell

+ 91 98509 66011



Website

www.kpit.com



Sunil Phansalkar

Contact

For Media Queries



Email

Sunil.R@kpit.com



Desk Phone

+ 91 80 6606 6000 (7865)



Cell

+ 91 99001 50180



Website

www.kpit.com



Sunil B R

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THANK YOU !!



KPIT Technologies Ltd.

