

July 26, 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 - Q1 FY 2023.

Dear Sir / Madam,

Please find enclosed the investor Update - Q1 FY 2023.

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*

July 26, 2022

## Investor Update Q1FY2023

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

Q1FY23

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# Performance Overview Q1FY23



**Q1FY23 CC Revenue grows 23% YoY**  
**Q1FY23 reports YoY Net Profit growth of 41%+**

1

Q1FY23  
Revenue

CC Revenue Growth of 23% Y-o-Y, 6.0% Q-o-Q  
\$ Revenue Growth of 16.4% Y-o-Y and 3.2% Q-o-Q

2

Operating  
Margins

Q1FY23 EBITDA at 19.4% against 18.6% last qtr.  
Y-o-Y EBITDA growth of 35.7%, 9.7% Q-o-Q

3

Q1FY23  
Profit

Net Profit at ₹ 854 million  
Net Profit growth of 41%+ Y-o-Y, 8.3% Q-o-Q

4

New  
Engagements

New wins continue to be stronger  
TCV of \$ 155 million won during the quarter

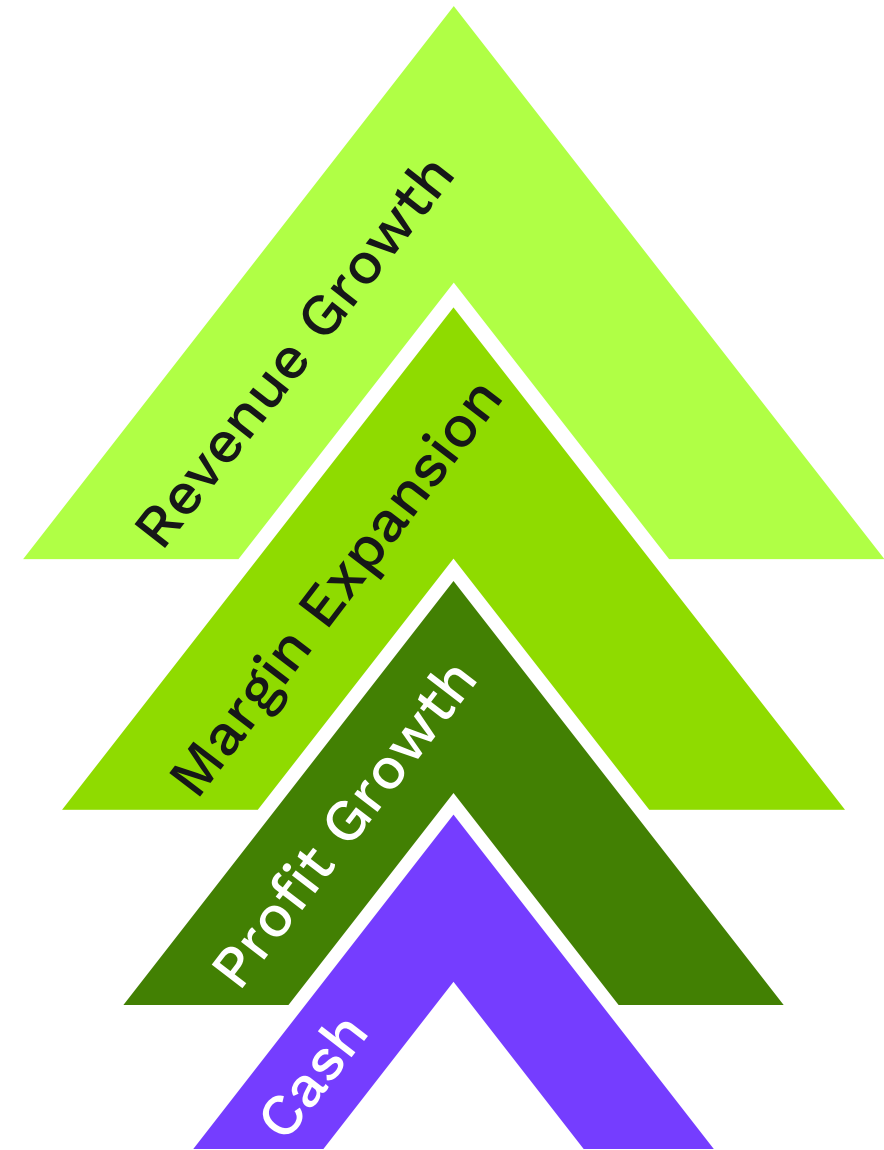
# Performance Highlights

**01** Sequential CC growth of 6% led by Electric Powertrain and architecture and middleware domains. Growth steered by passenger car vertical. Higher cross currency impact due to Euro, GBP and Yen depreciation against the INR.

**02** EBITDA expansion of 80 bps despite supply side constraints, fresher additions and cross-currency headwinds. Operating efficiency, net realization improvement and revenue growth leading to consistent improvement in margins

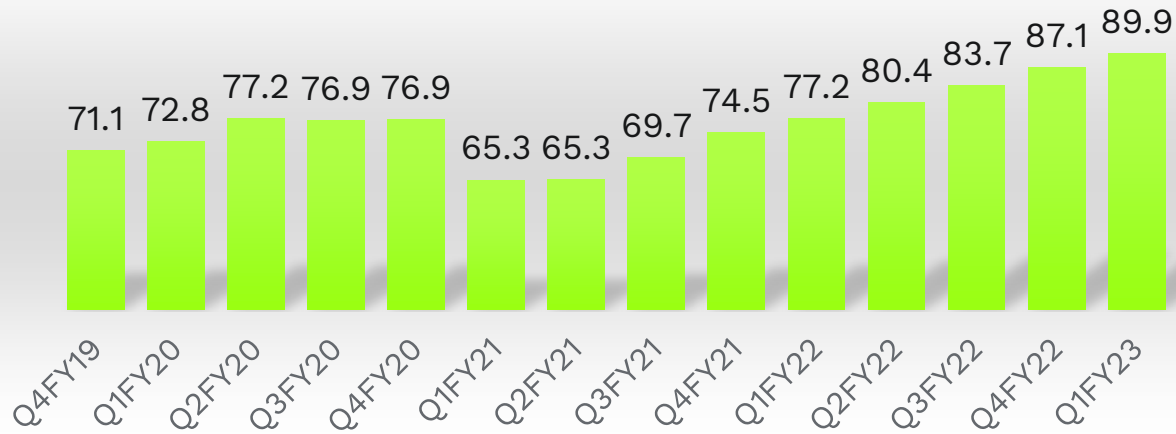
**03** Healthy growth in net profit aided by improvement in operating margins and higher other income. ETR for the quarter higher as compared to last quarter, as a result of one-time benefit last quarter.

**04** High cash conversion continued post acquisition payout, with DSO at 46 days. Net Cash at quarter end ₹ 10.6 billion. 14<sup>th</sup> consecutive quarter of increase in net cash and healthy cash conversion

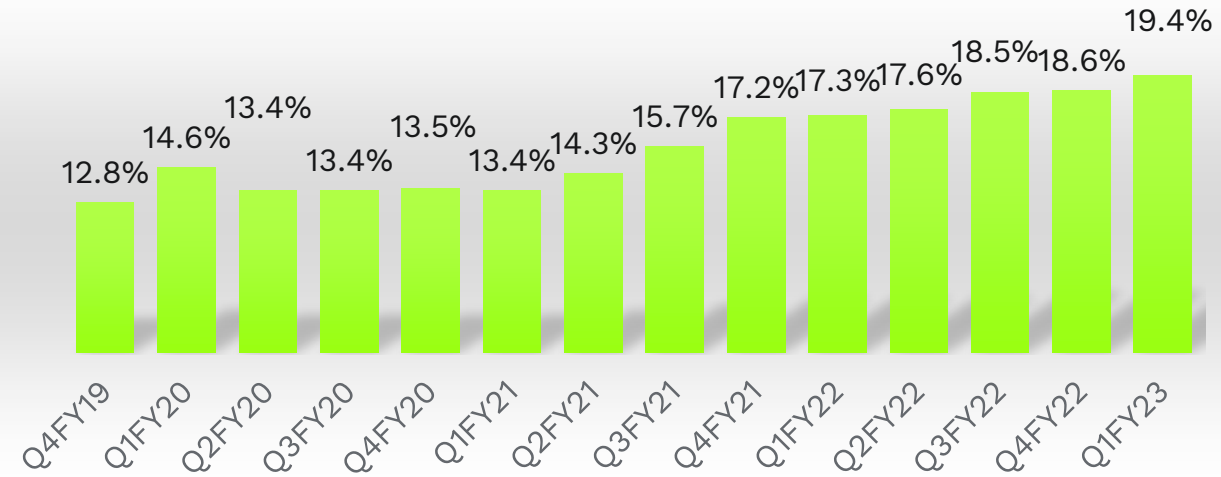


# Additional facts - timeseries

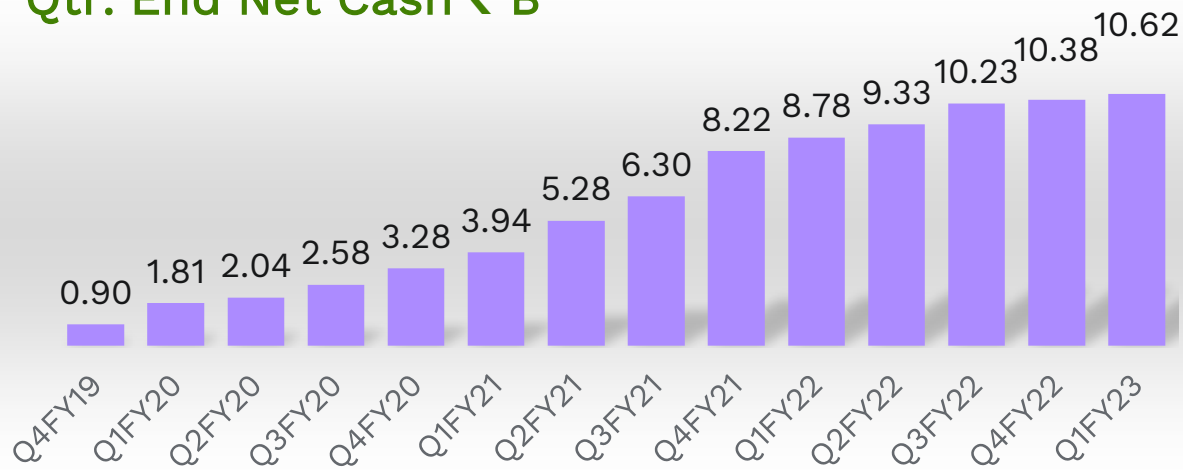
## Revenue \$ M



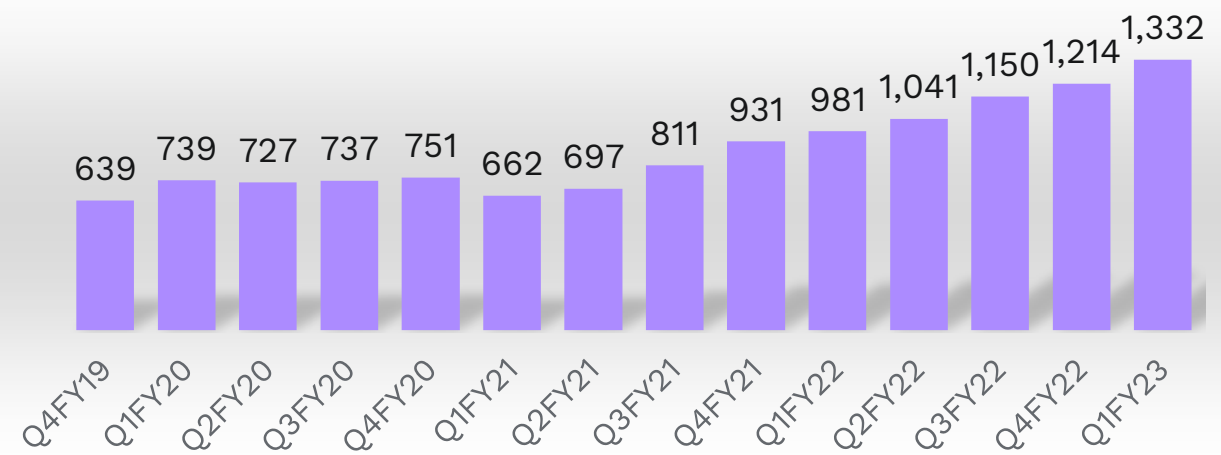
## EBITDA %



## Qtr. End Net Cash ₹ B



## EBITDA ₹ M



# Management Quotes



**Kishor Patil, Co-founder, CEO and MD, KPIT said,**” The vehicle manufacturers are aiming to earn revenues over the life of the vehicle for sustainable growth. This change will be enabled by CASE and centralized architecture programs, essentially Software Driven Vehicles. KPIT is uniquely positioned as a software integrator, helping global OEMs accelerate this journey. We have started the year on a positive note with an all-round performance, with growth in-line with our plan and healthy margin expansion, despite cross-currency headwinds. We remain optimistic on the overall growth environment”.

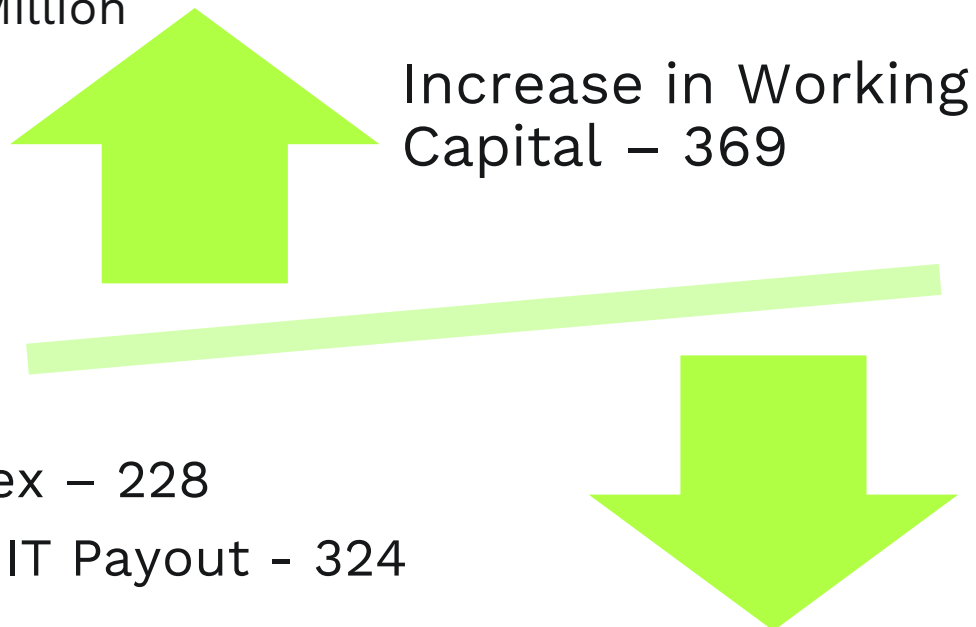


**Sachin Tikekar, President and Joint MD, KPIT said,**” It has been our goal to uphold all our client commitments and help our clients become successful, by leveraging technology. This relentless focus on our strategic clients continues to yield great results, resulting in larger, strategic engagements. Supply side pressures continue to persist, albeit at an eased pace. We have nurtured the existing partnerships and formed new ones with global universities to help attract global talent and aid retention by enabling career growth opportunities to our employees, with focused educational programs”.

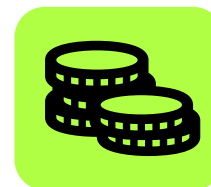


# Cash Flow – Major Movement

INR Million



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	5,846
In Investment Accounts (outside India)	1,397
In Operating Accounts	3,384
<b>TOTAL</b>	<b>10,627</b>



**Q-o-Q Increase in Net Cash : INR 247 Million**

NET CASH (INR Mln)	Q1FY23	Q4FY22
Gross Cash	10,627	10,380
Long Term Debt	NIL	NIL
Short Term Debt	NIL	NIL
<b>NET CASH</b>	<b>10,627</b>	<b>10,380</b>



**DSO Q1FY23 end : 46 Days**

# New Engagements

TCV of new engagements won during the Quarter : \$ 155 million



A leading European Car Manufacturer selected KPIT for a multiyear engagement in the electric powertrain domain



A leading Asian Car Manufacturer awarded KPIT multiple programs in the connected and middleware domains



A leading American Commercial Vehicle Manufacturer selected KPIT for a multiyear engagement in the Vehicle Engineering and Design domain



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



A leading American Tier I awarded KPIT multiple programs in the powertrain 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%. Reported \$ growth will be impacted adversely due to cross currency headwinds

## EBITDA Margin : 18% to 19%

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

## People

Supply side pressures to continue in FY23. Focus on Talent development and retention. Increments, promotions higher than average.

## Investments

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

# KPI1

## Other Updates

Q1FY23

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# KPIT expands its team and global infra-structure footprint



## KPIT unveiled its brand-new office in Novi, Michigan, USA

Brand new beginnings!

A bigger, better located, futuristic premise aligned with our goal of being the #BestPlaceToGrow for KPITians in USA!



## KPIT expands its local tech center in China

KPIT has taken the initiative to add 20 AUTOSAR engineers in Phase 1 to build a Local Tech Center in China. This workforce will consist of 10 senior engineers and ten fresh graduates / Interns. The team has already onboarded seven senior engineers and five interns.

A recruitment banner for KPIT in Kochi, Kerala. It features the KPIT logo in the top right corner. The main text reads "JOIN US FOR THIS EXCITING RIDE IN KOCHI, KERALA". Below this, it says "19-21 MAY" in a green box, followed by "In Person Pre-scheduled Interviews &amp; Same Day Offers". At the bottom, there is a "APPLY NOW" button. The background shows a futuristic car with various automotive software terms like "AI", "AUTOSAR", "ML", "LINUX", "EMBEDDED", "SOFTWARE", and "ML" written on it.

## KPIT to create opportunities in cutting edge automotive software in Kochi

KPIT plans to tap into talent in different hubs of India and continue to look for engineers who are passionate about automotive technologies.

Kochi Center expansion will offer a great combination of challenge, culture, and growth for talent in the region and people who wish to move closer home.

# KPIT Sparkle

## Innovation Platform for Talent Outreach

### Mission

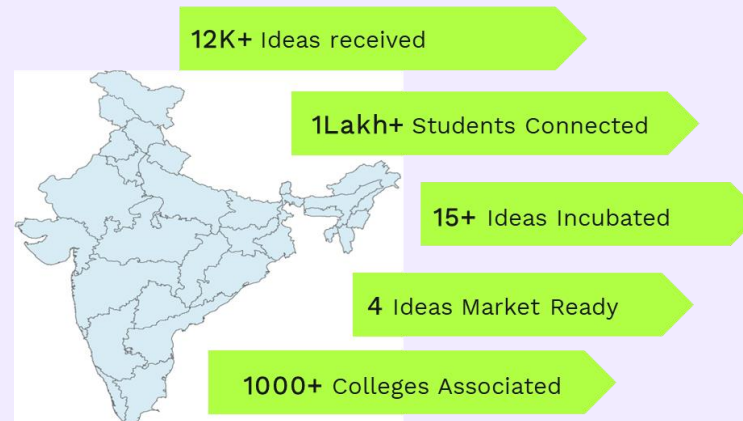
Support, nurture, and mentor students in the STEM field with a particular focus on areas of mobility and energy

### Objective

Identify & develop best innovative talent across the country and instill an innovation culture at the grassroots

- India's biggest innovation platform for UG to PhD students to Ideate and Innovate
- Nurtures and recognizes the country's young innovators towards building a better and cleaner tomorrow
- Platform's multidisciplinary outlook empowers tech enthusiasts to solve society's biggest challenges

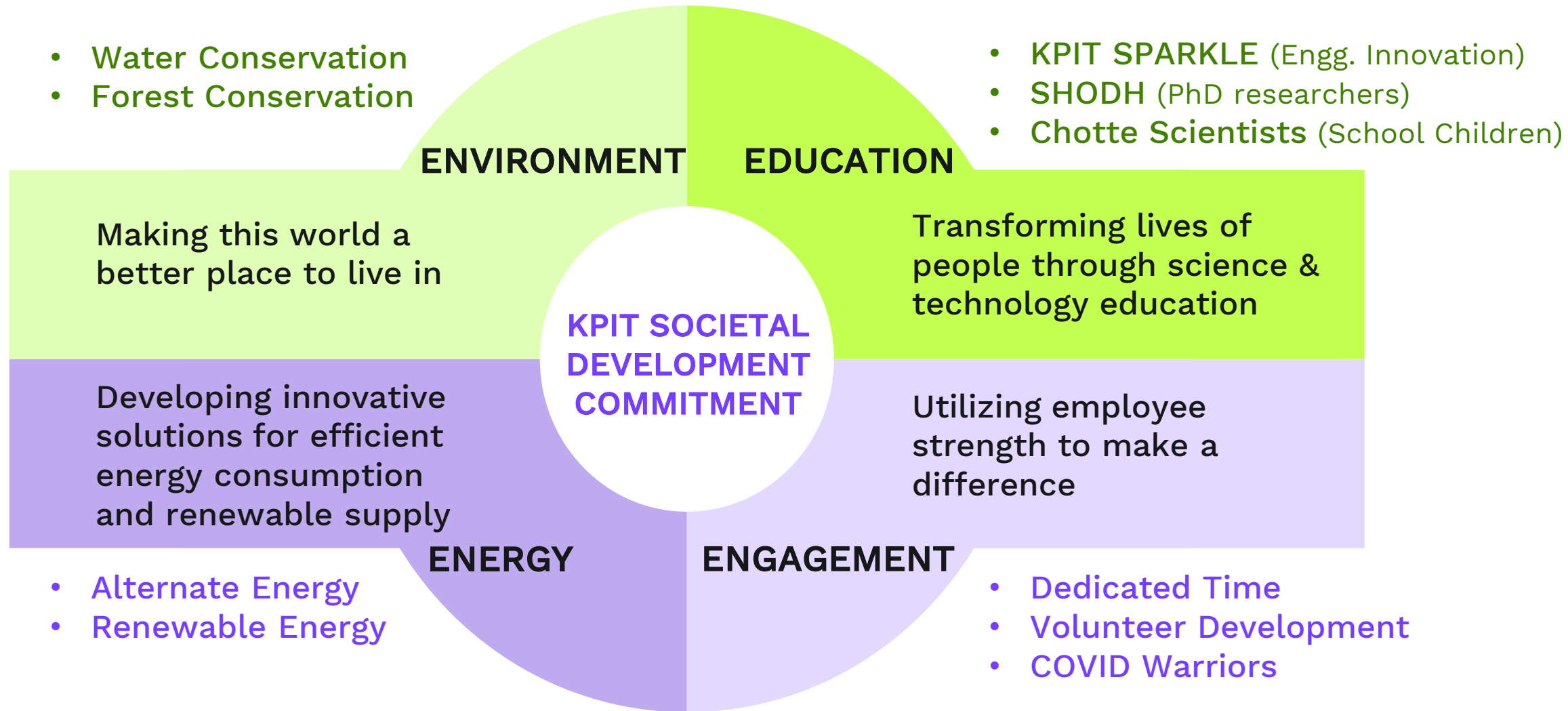
### Sparkling Statistics (2015 – 2022)



### Glimpses from the event



# KPIT – Societal Development Commitment



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

# KPIT Technologies bags award for Sustainability Initiatives at Workplace

KPIT has won the 1st Prize at iNFHRA's Pune Chapter 6th Edition of Workplace Excellence under the category of "Sustainability".





# We are Excited to go live on Instagram



# KPIT

## Financial & Operational Data

Snapshot

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# Profit & Loss Account Snapshot

INR MN

DETAILS	Q1FY23	Q4FY22	Q1FY22
Revenue from Operations	6,857.24	6,517.65	5,673.81
Other Income	152.89	127.54	99.76
Total Income	7,010.13	6,645.19	5,773.57
Operating Expenses	5,525.51	5,303.69	4,692.65
EBITDA	1,331.73	1,213.96	981.16
Depreciation	310.23	307.18	286.46
EBIT	1,021.50	906.78	694.70
Finance Costs	63.43	70.46	40.10
Change in FMV of Investments	6.12	2.93	21.60
Profit Before Exceptional Items	1,117.08	966.79	775.96
Exceptional items	-	-	-
Profit/(loss) from equity accounted investee	3.77	5.37	-
PBT	1,120.85	972.16	775.96
Tax	244.26	166.28	173.50
PAT	876.59	805.88	602.46
Profit Attributable to owners of Company	854.28	788.77	602.46
Profit Attributable to non-controlling interest	22.31	17.11	-

# Balance Sheet Snapshot

INR MN

ASSETS	Q1FY23	Q4FY22
<u>NON-CURRENT ASSETS</u>		
Property, Plant & Equipment	1,905.94	1,936.72
Right-of-use Assets	2,363.81	2,503.32
Other Tangible Assets	11.39	4.09
Goodwill & Other Intangibles	2,323.74	1,968.43
Other Non-Current Assets	1,427.25	1,400.51
TOTAL NON-CURRENT	8,032.13	7,813.07
<u>CURRENT ASSETS</u>		
Inventories	NIL	NIL
Cash and Cash Equivalents	10,627.06	10,380.32
Trade Receivables	3,413.04	3,714.47
Other Current Assets	2,188.29	1,453.61
TOTAL CURRENT	16,228.39	15,548.40
TOTAL ASSETS	24,260.52	23,361.47

EQUITY & LIABILITIES	Q1FY23	Q4FY22
Equity Share Capital	2,700.97	2,700.17
Other Equity	11,210.05	10,395.50
Equity attributable to owners	13,911.02	13,095.67
Non-controlling interests	175.32	155.47
TOTAL EQUITY	14,086.34	13,251.14
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Lease Liabilities	1,709.83	1,833.95
Other Non-Current Liabilities	1,220.20	1,199.78
TOTAL NON-CURRENT	2,930.03	3,033.73
<u>CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Trade Payables	1,398.29	1,372.30
Lease Liabilities	408.45	412.51
Others	5,437.41	5,291.79
TOTAL CURRENT	7,244.15	7,076.60
TOTAL EQUITY AND LIABILITIES	24,260.52	23,361.47



# Revenue Break-up

USD MN

Verticals*	Q1FY23	Q4FY22	Q1FY22	Q-o-Q	Y-o-Y
Passenger Cars	66.95	62.88	58.40	6.5%	14.6%
Commercial Vehicles	22.38	22.04	17.95	1.5%	24.7%

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

Business Units#	Q1FY23	Q4FY22	Q1FY22	Q-o-Q	Y-o-Y
Feature Development & Integration	61.64	60.80	54.06	1.4%	14.0%
Architecture & Middleware Consulting	12.83	9.79	9.01	31.1%	42.4%
Cloud Based Connected Services	15.41	16.52	14.14	(6.7%)	9.0%

#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	Q1FY23	Q4FY22	Q1FY22	Q-o-Q	Y-o-Y
US	34.95	33.10	31.76	5.6%	10.0%
Europe	35.89	34.27	30.37	4.7%	18.2%
Asia	19.04	19.73	15.07	(3.5)%	26.3%

# P&L Metrics

	Q1FY23	Q4FY22	Q1FY22	Q-o-Q	Y-o-Y
<b>Revenue by Contract Type</b>					
Time & Material Basis	51.0%	48.1%	43.6%	9.4%	36.2%
Fixed Price Basis	49.0%	51.9%	56.4%	(2.6)%	1.1%
<b>Clients</b>					
Strategic Client Revenue	84.9%	83.6%	85.7%	4.7%	15.3%
Active Clients (Period End)	60	60	55		
Revenue per Devp. Employee USD	41,951	45,679	51,257		
R&D Expenditure (USD MN)	2.13	2.09	2.19		
EBITDA Margin	19.4%	18.6%	17.3%		
EBIT Margin	14.9%	13.9%	12.2%		
PAT Margin	12.5%	12.1%	10.6%		
Effective Tax Rate	21.8%	17.1%	22.4%		
EPS (Basic)	3.16	2.92	2.24		
EPS (Diluted)	3.13	2.89	2.21		

# Currency wise revenues, Hedging Details

Currency wise revenue	Q1FY23	Q4FY22	Q1FY22
USD	42.7%	40.0%	41.7%
EUR	33.5%	32.2%	33.0%
GBP	6.3%	6.6%	5.7%
JPY	8.7%	12.4%	10.2%
INR	5.8%	5.9%	4.9%
Others	2.9%	2.9%	4.6%

Realized Rate	Q1FY23	Q4FY22	Q1FY22
INR/USD	76.29	74.82	73.49

O/s Hedge Details	Q1FY23
<b>Hedge Rates</b>	
USD/INR	78.87
EUR/INR	88.74
GBP/INR	104.50
<b>Hedge Amounts(Mn)</b>	
USD/INR	47.92
EUR/INR	10.90
GBP/INR	3.40

# Headcount Data

Period End Headcount	Q1FY23	Q4FY22	Q1FY22	Q-o-Q	Y-o-Y
Development	8,570	7,628	6,025	-	-
Enabling & Sales	613	617	539	-	-
Total	9,183	8,245	6,564	-	-



# KPIT

## Contact Us

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# Conference Call Details

Conference name	: KPIT Technologies Q1 FY2023 Post Earnings Conference Call
Date	: Tuesday July 26, 2022
Time	: 1730 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	
<a href="https://choruscall.in">Diamond Pass Registration (choruscall.in)</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 9,000+ 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

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

# Contact

For Investor Queries



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Sunil B R

# KPIT

THANK YOU !!



KPIT Technologies Ltd.

