

February 1, 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 - Q3 FY 2022.

Dear Sir / Madam,

Please find enclosed the investor Update - Q3 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.

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

Q3FY22

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Q3FY22 Performance Overview

**KPIT Q3FY22 USD Revenue grows 20% Y-o-Y
Y-o-Y Net Profit growth of 67.6%**

1 Q3FY22 CC Revenue growth of 21.2% Y-o-Y, 5.6% Q-o-Q
Q3FY22 EBITDA at 18.5% as against 17.6% last quarter

2 Net Profit for the quarter at ₹ 700 million as against
₹ 651 million last quarter, Q-o-Q growth of 7.5%

3 Net Cash as at quarter end crosses the ₹ 10 billion mark.
Interim Dividend of ₹ 1.25 per share

4 Annual EBITDA outlook raised, Yearly EBITDA to be
around 18%

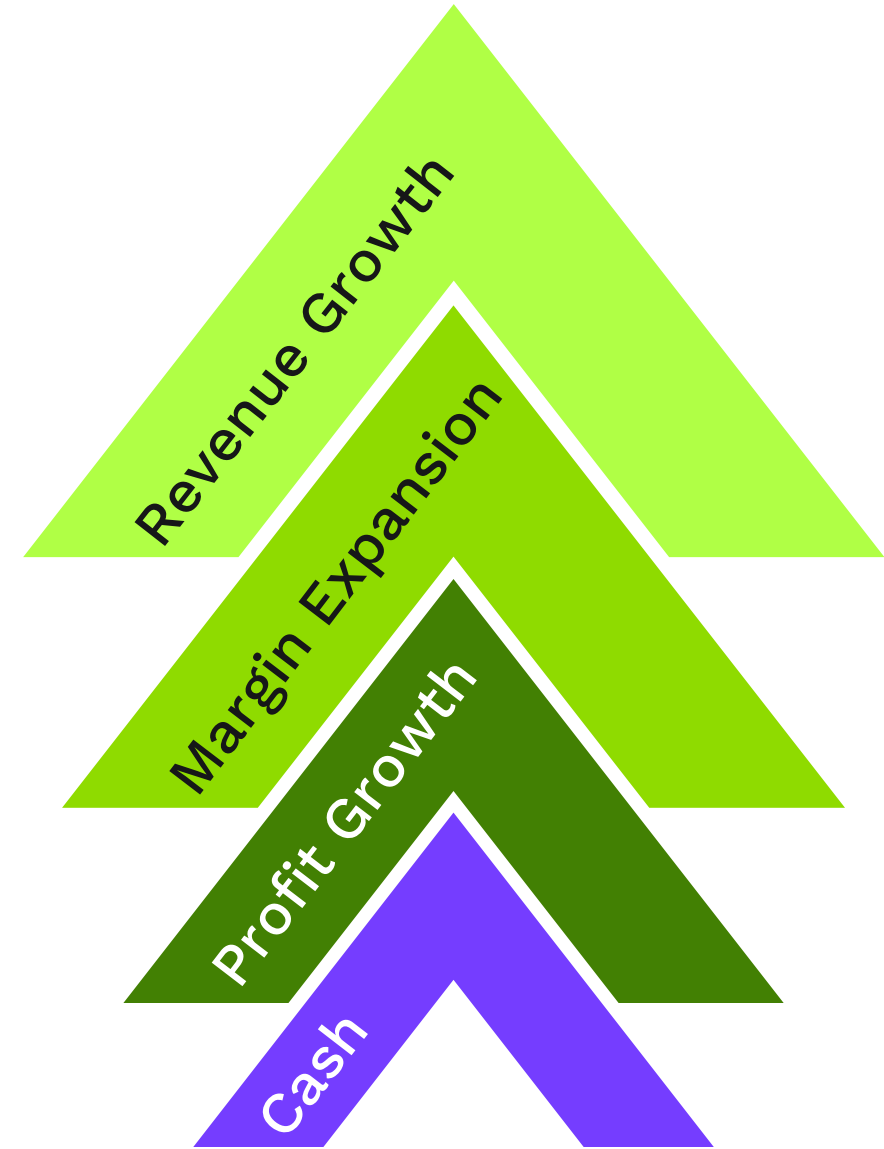
Q3FY22 Performance Highlights

01 Sequential CC growth of 5.6% led by Electric Powertrain and Autosar. During the last 4 quarters, offshoring has increased and thus the volume growth is proportionately higher. Q3 was a good quarter in terms of deal closures.

02 EBITDA expansion of 86 bps post mid-term corrections, quarterly promotions and fresher addition. Improvement in revenue mix with increase in fixed price projects and offshoring.

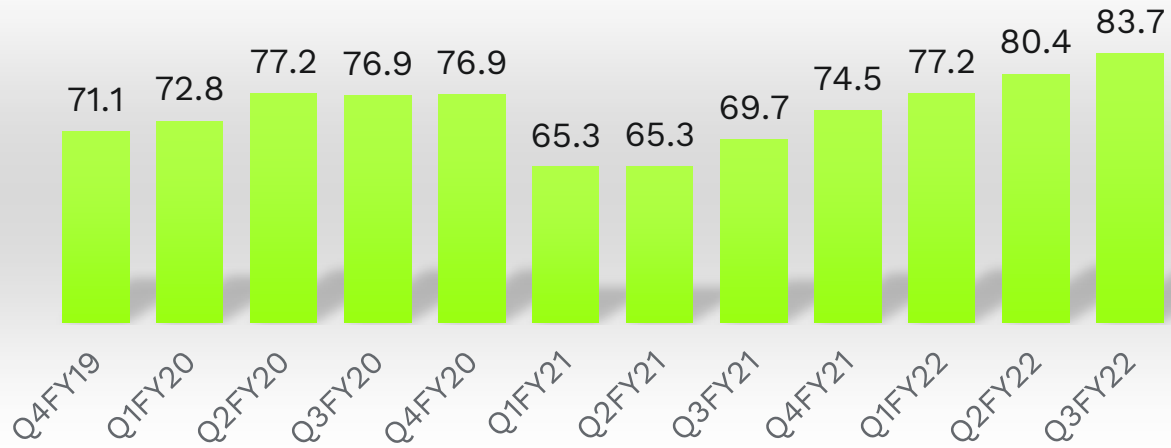
03 Sequential net profit growth mainly aided by higher operating margins. Other income lower due to adverse currency movements.

04 High cash conversion continued post acquisition and variable incentive payouts, with DSO maintained at 48 days. Cash Balance at quarter end crosses ₹ 10 billion. 12th consecutive quarter of increase in net cash

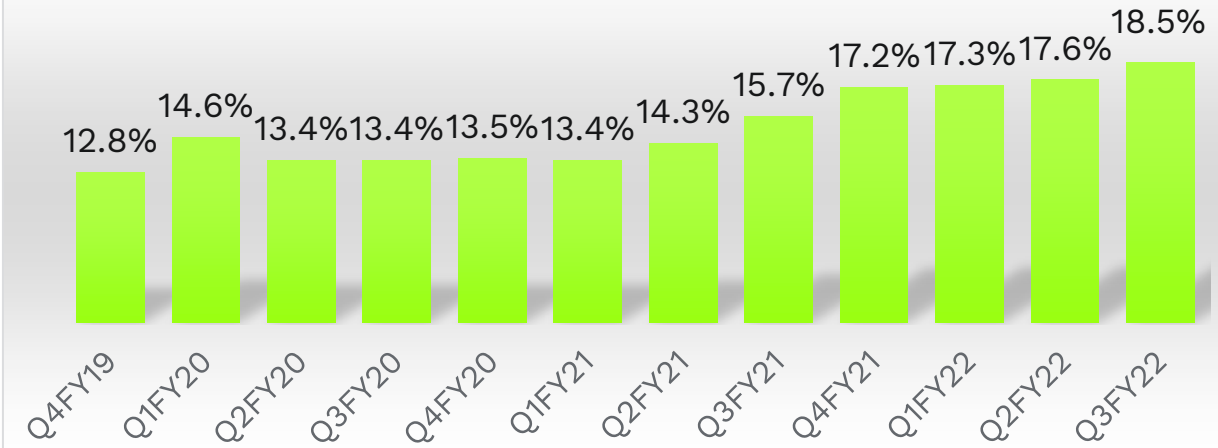


Additional facts - timeseries

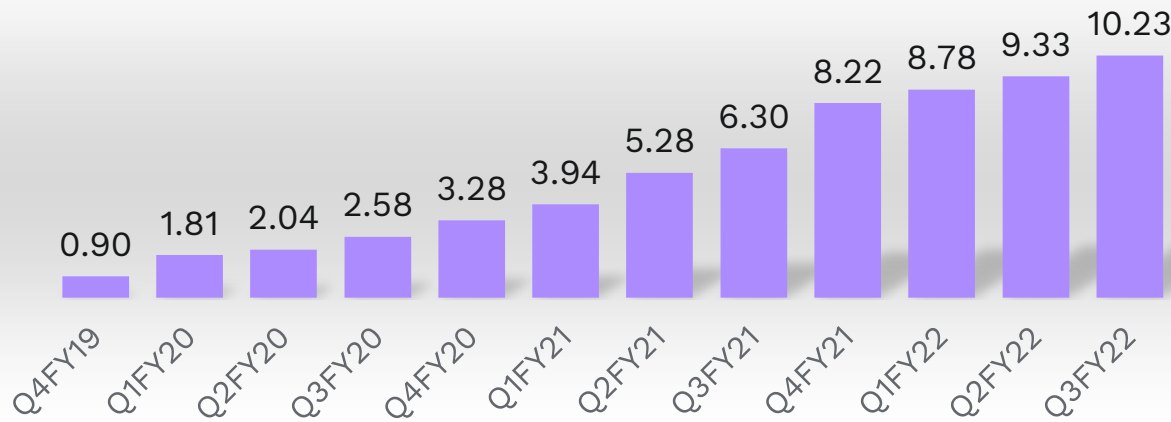
Revenue \$ M



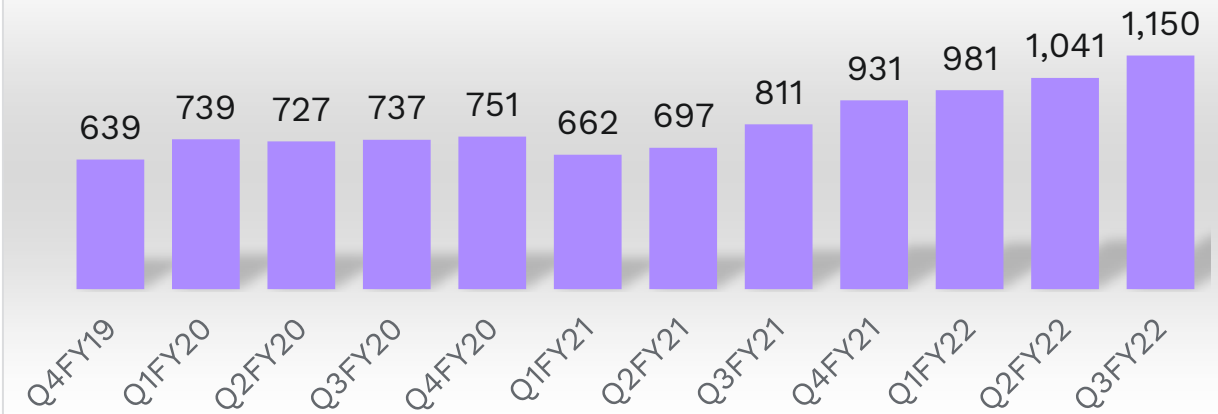
EBITDA %



Qtr. End Net Cash ₹ B



EBITDA ₹ M



Management Quotes



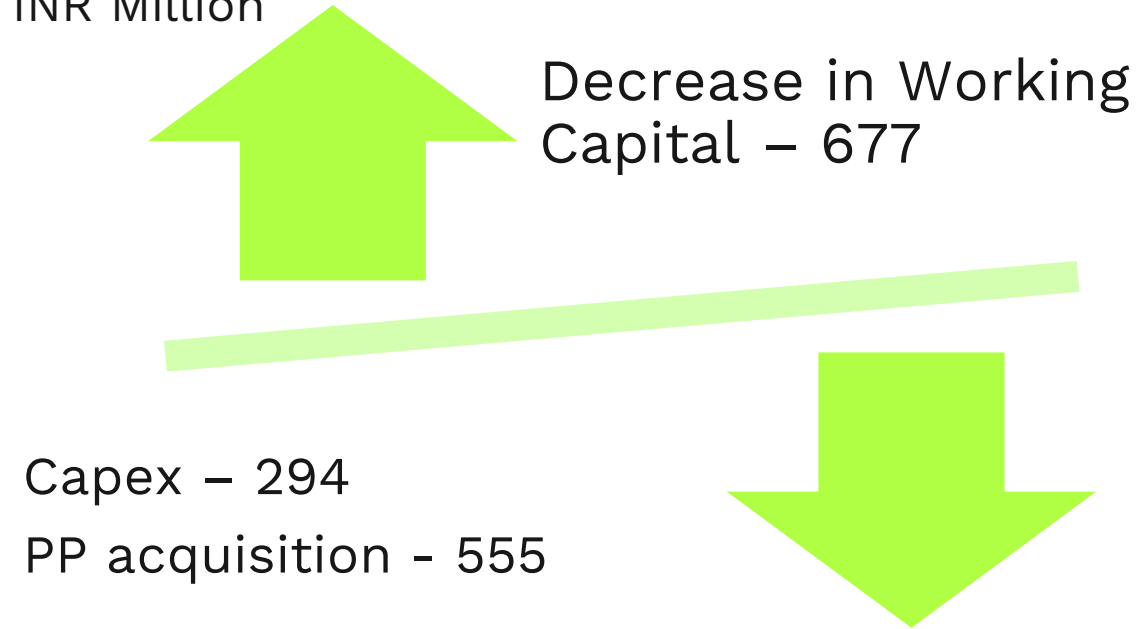
Kishor Patil, CEO and MD, KPIT said,” The demand environment in the Mobility Industry continues to be robust, especially in the newer technology areas led by electrification, autonomous, connected and architecture changes. Our strategic clients have a medium-term roadmap of sustained investments in these areas, giving us a healthy growth visibility for the next 4-5 years. We are forming the right partnerships within the ecosystem to accelerate our journey towards achieving our Vision. The growth during the quarter was in line with our expectations and we continue to deliver on margin improvement and cash conversion relentlessly. As we enter the last quarter of the financial year, we are confident of delivering on the higher end of our revised yearly outlook and begin the next year on a strong footing.”



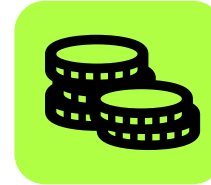
Sachin Tikekar, President and Whole-time Director, KPIT said,” Guided by our Vision, we carry on to work ceaselessly on our Mission, leaning on the four pillars of Strategic Clients, Platforms and Practices, Zero Defect Delivery and Best Place to Grow. In line with the industry, employee turnover has been higher during the last 3-4 months. We expect the same to stabilize over the coming quarters. We are focusing on internal growth paths for our people and aggressively hiring talent, including freshers. Our engagements with strategic clients are increasingly becoming more relevant and value accretive towards our clients’ transformation journey. We continue to invest towards strengthening our solutions and client facing organizations. With these, we are poised for sustainable growth in coming years”.

Cash Flow – Major Movement

INR Million



Cash and Cash Equivalents break-up	₹ M
In Investment Accounts (in India)	5,319
In Investment Accounts (outside India)	1,849
In Operating Accounts	3,058
TOTAL	10,226



Q-o-Q Increase in Net Cash : INR 893 Million

NET CASH (INR Mln)	Q3FY22	Q2FY22
Gross Cash	10,226	9,334
Long Term Debt	NIL	NIL
Short Term Debt	NIL	NIL
NET CASH	10,226	9,334



DSO Q3FY22 end : 48 Days

New Partnership

KPIT, dSPACE, and Microsoft team up to offer a solution for homologation of autonomous vehicles



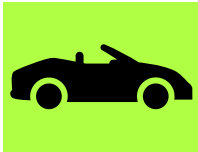
- Data-driven simulation and homologation for the development of autonomous driving is a new field that demands expertise in various areas, including, DevOps, cloud computing, simulation, and automation
- Benefit for the mobility ecosystem: accelerated development of autonomous driving development at optimized technology spend
- The companies combine excellence in areas of artificial intelligence, software, hardware, verification & validation, and cloud services
- The solution will accelerate and optimize the complete development process, from data collection and software development to integration and in-vehicle testing.

New Engagements

Broad Based Engagements, across practices and geographies



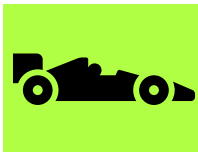
A leading American Truck Manufacturer selected KPIT for a strategic engagement in the Electric Powertrain domain



A leading American Car Manufacturer selected KPIT for a strategic program in the vehicle engineering domain



A leading Asian Car Manufacturer selected KPIT for a program in the Autosar domain



A leading American Tier I selected KPIT for multiple engagements in the Autonomous Driving domain

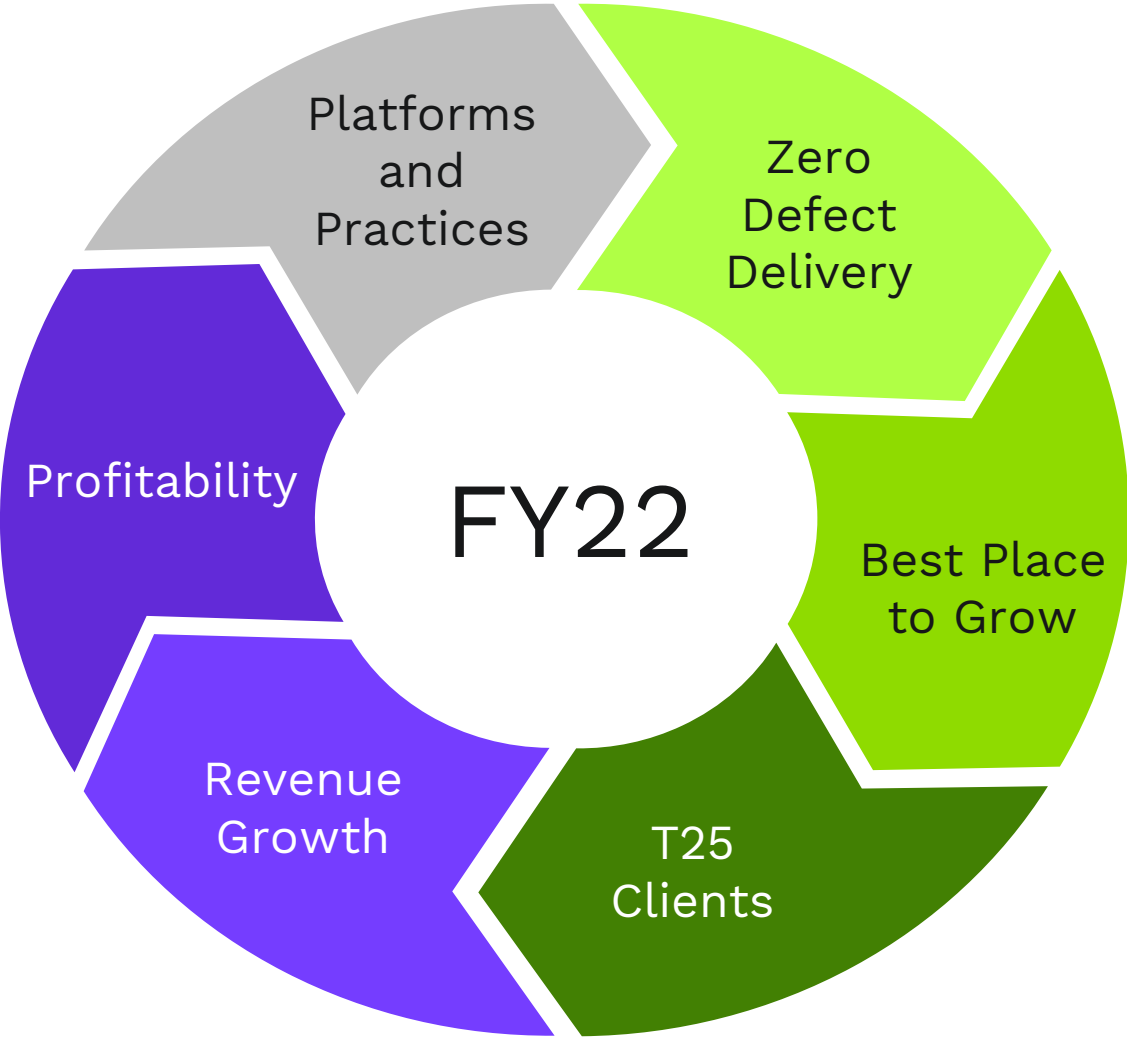


A leading European Tier I selected KPIT for a key engagement in the Body Electronics domain

FY22 – Revenue and Profitability

REVENUE GROWTH

The revenue growth momentum will continue in the coming years. The growth is expected to be broad based across practices and clients. We have a healthy order book and decent medium-term visibility. We expect **FY22 growth to be at the higher end of the 18% - 20% range**



PROFITABILITY

We had higher than normal wage hikes during the year and we will continue to invest in freshers & client facing initiatives. Offshoring, productivity improvement, employee pyramid and fixed cost leverage will continue to help us build on margins . We expect **FY22 EBITDA to be ~18%**.

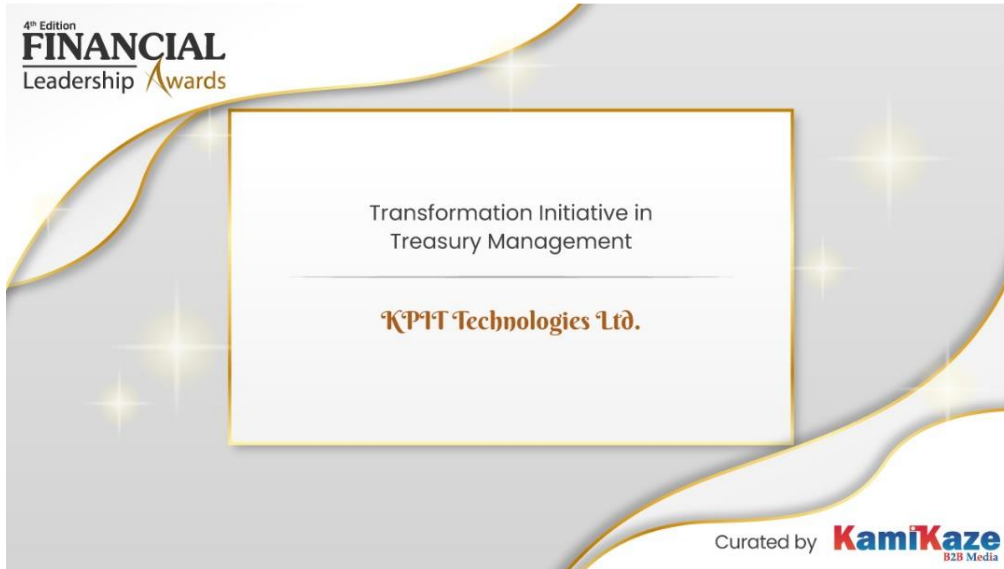
KPI1

Other Updates

Q3FY22

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Recognition



KPIT wins 'Transformation Initiative in Treasury Management' Award

KPIT is delighted and humbled to have won the 'Transformation Initiative in Treasury Management' Award in the 4th edition of the Financial Leadership Awards organized by Kamikaze B2B Media.

The award was conferred to Ms. Priya Hardikar, SVP & Head Corporate Finance Governance, KPIT, on behalf of KPIT virtually during the CFO Executive Leadership Summit 2021.

Financial Leadership Awards recognize leaders in all aspects of Financial, Treasury, Risk & Compliance management. We are thankful to Kamikaze B2B Media and the entire jury for successfully organizing this event and awarding us the prestigious award.

PathPartner Integration



PathPartner (PP) was fully integrated during the quarter. KPIT owns a controlling stake in PP and the full 100% acquisition is expected to be completed over the next couple of years.

The PP integration has progressed very well and certain KPIT influenced revenues are already a part of the revenues integrated from PP during the quarter. KPIT and PP teams are already working on joint deliveries to clients. 461 employees as at the end of the quarter are added from PP.

PP Operating margins are around 15% and we expect them to improve in the coming quarters.

Thought Leadership Updates



KPIT is proud to have been featured in NASSCOM's 'THE CLOUD CORNERSTONE: SUCCESS IN ACTION- Case Study Compendium 2021'. The compendium highlights how various verticals have leveraged cloud solutions to overcome business problems and provide value.

KPIT's case study on AI/ML-based Prediction of the Remaining Useful Life (RUL) of a spark plug, based on a recent project for a European OEM, is a part of Volume I of the compendium.

The featured case study aptly illustrates the Cloud-based solutions offered by KPIT to its OEM and Tier-1 partners.

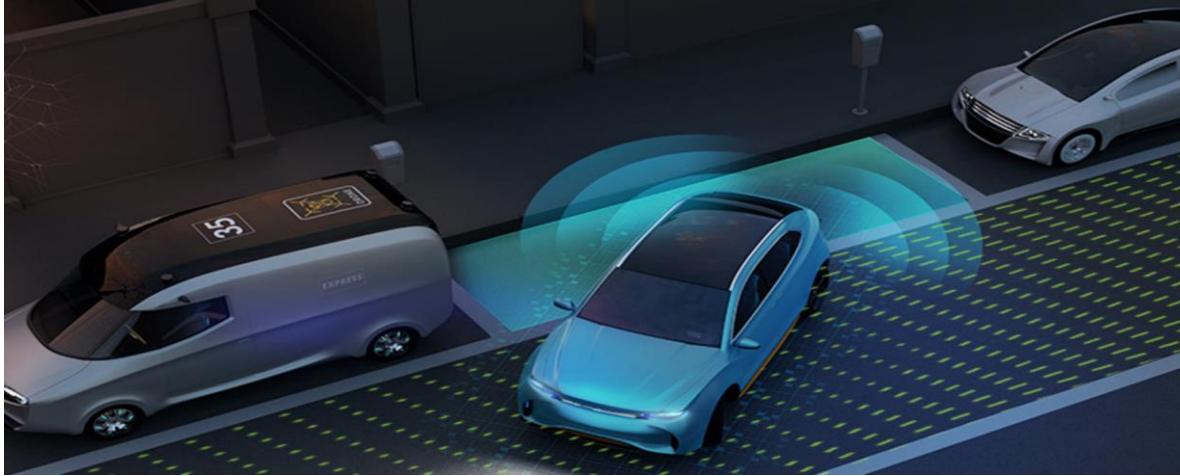
KPIT is proud to be featured in the NASSCOM's 'ADVANTAGE INDIA: Gateway To Global Engineering R&D And Innovation' report. Prof. K. Vijayraghavan, Principal Scientific Advisor, Government of India, launched the report at the 13th edition of NASSCOM Design & Engineering Summit 2021.

It features the following case studies from KPIT:

- Development of Advanced Driver Assistance Systems and Autonomous Driving technology
- Software development and integration for Charger Control Unit

This report is testimony to the achievements of the Indian Engineering R&D ecosystem that has led to India becoming a destination of choice for Engineering R&D.

Thought Leadership Updates



KPIT's article in HANSERautomotive

HANSERautomotive, a leading German Automotive magazine, recently published a technical article from KPIT titled 'Architecture of an integrated Park-in and Park-out system,'

The article discusses the system-level architecture of an Automated Park Assist System to aid the driver in maneuvering the vehicle in a predetermined accessed space for parking. This research includes but is not limited to ultrasonic and camera object data fusion, parking trajectory planning, and motion control

KPIT's perspective in the IHS Markit's Autology weekly podcast series

The KPIT podcast was titled 'Will consumers be over the moon about over-the-air updates?' - a part of IHS Markit's Autology weekly podcast series.

Over-the-air (OTA) updates are set to become a foundational feature of today's connected devices. With the amount of software per vehicle continuing to grow, Over-the-Air (OTA) updates can benefit all stakeholders- from vehicle manufacturers to the end consumers.

KPIT

Financial & Operational Data

Snapshot

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Profit & Loss Account Snapshot

INR MN

DETAILS	Q3FY22	Q2FY22	Q3FY21
Revenue from Operations	6,223.67	5,908.73	5,172.45
Other Income	80.75	89.37	64.09
Total Income	6,304.42	5,998.10	5,236.54
Operating Expenses	5,073.92	4,868.14	4,343.13
EBITDA	1,149.75	1,040.59	810.57
Depreciation	311.57	290.93	337.72
EBIT	838.18	749.66	472.85
Finance Costs	44.83	38.56	39.83
Change in FMV of Investments	4.75	21.39	2.88
Profit Before Exceptional Items	878.85	821.86	518.74
Exceptional items	-	-	19.45
Share of profit/(loss) of equity accounted investee	(3.39)	-	-
PBT	875.46	821.86	538.19
Tax	172.37	170.86	108.45
PAT	703.09	651.00	429.74
Profit Attributable to owners of the company	700.10	651.00	417.73
Profit Attributable to non-controlling interest	2.99	-	12.01

Balance Sheet Snapshot

INR MN

ASSETS	Q3FY22	Q2FY22
<u>NON-CURRENT ASSETS</u>		
Property, Plant & Equipment	1,967.75	1,868.99
Right-of-use Assets	2,397.34	2,304.49
Other Tangible Assets	8.92	136.70
Goodwill & Other Intangibles	2,016.46	1,397.59
Other Non-Current Assets	1,243.00	1,137.22
TOTAL NON-CURRENT	7,633.47	6,844.99
<u>CURRENT ASSETS</u>		
Inventories	NIL	NIL
Cash and Cash Equivalents	10,226.30	9,333.79
Trade Receivables	3,784.51	3,604.79
Other Current Assets	1,180.20	1,407.87
TOTAL CURRENT	15,191.01	14,346.45
TOTAL ASSETS	22,824.48	21,191.44

EQUITY & LIABILITIES	Q3FY22	Q2FY22
Equity Share Capital	2,698.64	2,696.18
Other Equity	10,768.99	10,042.32
Equity attributable to owners	13,467.63	12,738.50
Non-controlling interests	134.83	-
TOTAL EQUITY	13,602.46	12,738.50
<u>NON-CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Lease Liabilities	1,773.67	1,748.95
Other Non-Current Liabilities	810.19	772.38
TOTAL NON-CURRENT	2,583.86	2,521.33
<u>CURRENT LIABILITIES</u>		
Borrowings	NIL	NIL
Trade Payables	1,545.19	1,508.18
Lease Liabilities	376.99	329.07
Others	4,715.98	4,094.36
TOTAL CURRENT	6,638.16	5,931.61
TOTAL EQUITY AND LIABILITIES	22,824.48	21,191.44

Revenue Break-up

USD MN

Geography	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-o-Y
US	30.43	32.53	28.57	(6.5)%	6.5%
Europe	35.12	32.13	30.48	9.3%	15.2%
Asia	18.14	15.69	10.68	15.6%	69.8%
TOTAL	83.69	80.36	69.72	4.1%	20.0%

Verticals	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-o-Y
Passenger Cars	61.42	59.70	52.94	2.9%	16.0%
Commercial Vehicles	20.40	19.66	15.81	3.8%	29.1%
Others	1.87	0.99	0.97	89.3%	93.2%
TOTAL	83.69	80.36	69.72	4.1%	20.0%

Practices	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-o-Y
Powertrain	33.19	31.58	30.00	5.1%	10.7%
AD-ADAS	14.47	14.45	13.34	0.1%	8.4%
Connected Vehicle	8.17	8.41	6.76	(2.8)%	20.9%
Others	27.85	25.92	19.62	7.5%	42%

P&L Metrics

	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-o-Y
Revenue by Contract Type					
Time & Material Basis	43.5%	43.7%	46.3%	3.6%	12.8%
Fixed Price Basis	56.5%	56.3%	53.7%	4.6%	26.2%
Clients					
Strategic T21 Client Revenue	82.93%*	83.82%	85.27%	(1.0)%	12.1%
Active Clients	58	55	55		

Revenue per Devp. Employee USD	46,365	51,910	49,456		
EBITDA Margin	18.5%	17.6%	15.7%		
EBIT Margin	13.5%	12.7%	9.1%		
PAT Margin	11.2%	11.0%	8.1%		
Effective Tax Rate	19.7%	20.8%	20.2%		
EPS (Basic)	2.60	2.42	1.55		
EPS (Diluted)	2.56	2.39	1.54		

Currency wise revenues, Hedging Details

Currency wise revenue	Q3FY22	Q2FY22	Q3FY21
USD	37.8%	41.9%	42.0%
EUR	36.4%	34.0%	38.6%
GBP	5.0%	5.5%	4.5%
JPY	11.1%	10.4%	5.3%
INR	4.8%	4.4%	5.0%
Others	4.8%	3.8%	4.5%

Realized Rate	Q3FY22	Q2FY22	Q3FY21
INR/USD	74.37	73.53	74.19

O/s Hedge Details	Q3FY22
Hedge Rates	
USD/INR	77.21
EUR/INR	89.54
GBP/INR	105.57
Hedge Amounts(Mn)	
USD/INR	37.70
EUR/INR	12.25
GBP/INR	4.68

Headcount Data

Period End Headcount	Q3FY22	Q2FY22	Q3FY21	Q-o-Q	Y-o-Y
Development	7,220	6,192	5,639	-	-
Enabling & Sales	606	540	513	-	-
Total	7,826	6,732	6,152	-	-

KPIT

Contact Us

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Conference Call Details

Conference name : KPIT Technologies Q3 FY2022 Post Earnings Conference Call
Date : Wednesday February 02, 2022
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

[Click here for your Diamond Pass](#)

Primary number : +91 22 6280 1116
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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 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. ²⁵

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

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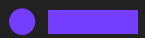
Website
www.kpit.com



Sunil B R

KPIT

THANK YOU !!



KPIT Technologies Ltd.

