

KPIT

KPIT Technologies Ltd



PROTECTING | INVESTING | FINANCING | ADVISING

RESEARCH REPORT 2025

Presented By:

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Company Overview

KPIT is a global technology company with software solutions that will help mobility leapfrog towards autonomous, clean, smart and connected future. With 13000+ Automobelievers across the globe, specializing in embedded software, AI & Digital solutions, KPIT enables customers accelerate implementation of next generation mobility technologies. With development centers in Europe, USA, Japan, China, Thailand and India.

Business segments

- 1) Feature Development & Integration (62%):** Electrification, AD-ADAS, Body Electronics and VED.
- 2) Architecture & Middleware Consulting (19%):** Middleware and AUTOSAR.
- 3) Cloud-Based Connected Services (19%):** Intelligent Cockpit, Digital Connected Solutions and Diagnostics.

Synopsis of Financials:

Financial and operating highlights (Q3 FY26)

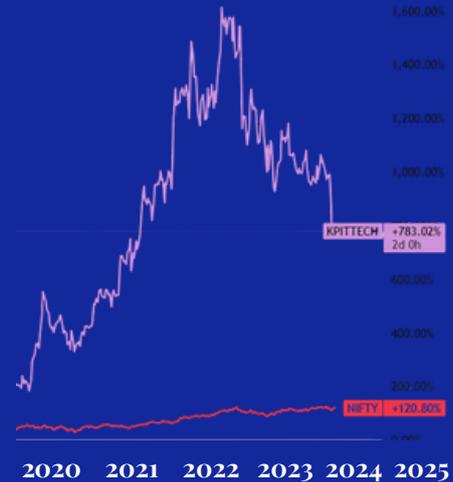
- Revenue growth: +9.4% YoY in INR, +3% YoY in USD
- Profitability: EBITDA +6.8% (after absorbing “partial increments”).
- PAT: Net profit excluding the one-time Labour Code impact is INR 1.53bn vs INR 1.53bn last quarter.

Stock data (as 12th Feb 2025)

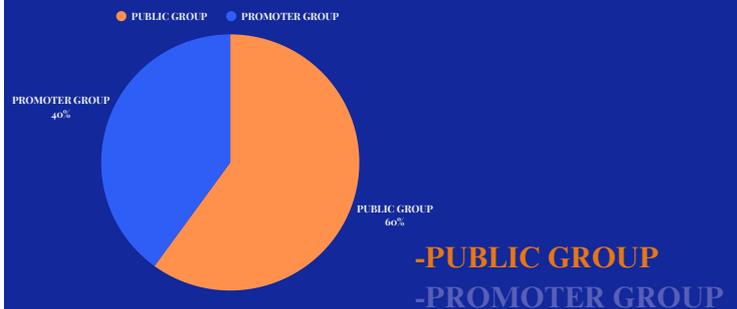
Nifty Price	: 25,807.20
52 week High (in Rs.)	: 1,436.95
52 week Low (in Rs.)	: 886.20
Market Cap. (in Crore)	: 24,363.16
NSE Code	: INE04I401011

Stock data

-NIFTY50
KPIT Technologies Ltd.



Shareholding Pattern (March 2025)



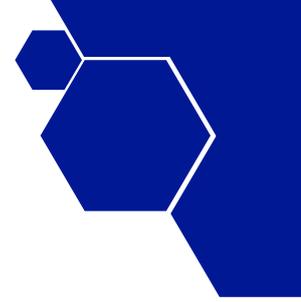
Financial Summary

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales -	2,036	2,432	3,365	4,872	5,842
Sales Growth %	-5.59%	19.48%	38.34%	44.77%	19.93%
Expenses +	1,729	1,981	2,732	3,881	4,613
Operating Profit	307	451	633	991	1,230
OPM %	15%	19%	19%	20%	21%
Other Income +	21	32	43	60	170
Net Profit +	147	276	387	599	840
EPS in Rs	5.33	10	13.9	21.69	30.63
Dividend Payout %	28%	31%	29%	31%	28%

Yearly Results

Particulars	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Capital	269	270	270	271	272
Reserves	938	1,040	1,381	1,875	2,640
Borrowings	230	227	287	329	345
Other Liabilities	531	799	1,402	1,624	1,707
Total Liabilities	1,968	2,336	3,341	4,098	4,964
Fixed Assets	577	641	1,684	1,915	1,972
CWIP	12	0	33	58	10
Investments	127	129	64	94	432
Other Assets	1,251	1,566	1,559	2,030	2,551
Total Assets	1,968	2,336	3,341	4,098	4,964

Quarterly Results



Particulars	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Sales	1,478	1,528	1,539	1,588	1,617
YOY Sales Growth %	17.58%	15.98%	12.76%	7.90%	9.44%
Expenses	1,172	1,205	1,244	1,290	1,306
Material Cost %	1%	1%	1%	1%	2%
Employee Cost %	63%	62%	63%	62%	62%
Operating Profit	306	323	295	298	311
OPM %	21%	21%	19%	19%	19%
Other Income	19	60	16	24	-26
Other Income Normal	19	60	16	24	34
Interest	10	9	12	16	23
Depreciation	58	58	63	75	81
Profit before tax	257	316	236	231	181
Tax %	27%	23%	27%	27%	26%
Net Profit	187	245	172	169	133

Key Ratios

ANALYTICAL RATIOS

Ratio/Measure	Numerator	Denominator	31 March 2025	31 March 2024	Variance
Current ratio (Refer note i below)	Current assets	Current liabilities	2.18	1.66	31.24%
Debt-equity ratio (Refer note ii below)	Total debt ^(a)	Shareholders' equity	0.07	0.04	73.12%
Debt service coverage ratio (Refer note iii below)	Earnings available for debt service ^(b)	Debt service ^(c)	19.57	15.19	28.86%
Return on equity	Net profits after taxes	Average shareholders' equity	27.12%	21.89%	23.86%
Trade receivables turnover ratio (Refer note iii below)	Revenue from operations	Average trade receivables	6.36	4.76	33.48%
Trade payables turnover ratio (Refer note iv below)	Purchase of services and other expenses	Closing trade payables ^(d)	3.96	3.00	32.00%
Net capital turnover ratio	Revenue from operations	Working capital	5.35	6.62	-19.19%
Net profit ratio	Net profit after tax	Revenue	18.79%	16.21%	15.96%
Return on capital employed	Earning before interest and taxes	Capital Employed ^(d)	31.37%	27.61%	13.64%
Return on investment (treasury operations)	Income generated from investments ^(f)	Time weighted average investment			
Quoted			7.13%	6.73%	5.94%
Unquoted			6.33%	6.31%	0.32%

Synopsis Quarter Results

Concall Notes - Feb-2026: Key Highlights

KPIT Q3 FY26: Growth muted, but strategic pivot accelerates toward “solutions + AI” delivery: Financial and operating highlights (Q3 FY26):

- Revenue growth: +9.4% YoY in INR, +3% YoY in USD; constant currency +1.5% QoQ. Management called out “Organic growth is negative under 1% for the quarter.”
- Profitability: EBITDA +6.8% (after absorbing “partial increments”).
- PAT: Net profit excluding the one-time Labour Code impact is INR 1.53bn vs INR 1.53bn last quarter.
- Cash / acquisitions: End-quarter cash ~INR 9bn after INR 6.3bn payouts for Caresoft and N-Dream during the quarter.
- Deal wins: TCV of deals won: INR 202m, “largely across geographies,” with Europe highest, followed by USA, and a win from a Chinese OEM.
- Revenue quality shift: Fixed price mix rose to 66% (vs 59% last year) and per-person revenue is up—explicitly linked to the solutions transformation.
- Investments: USD 3.8m invested in the solutions business in-quarter (excluding incremental AI spend and excluding prior acquisition-related investments such as Technica, N-Dream, Caresoft).
- Capitalization policy: Management reiterated they do not capitalize development costs in the normal course (“there won’t be any capitalization”).

Outlook and guidance tone: near-term improvement, FY27 better than FY26, but cautious on timing:

Q4 FY26 directional guidance (qualitative):

Kishor provided two explicit statements:

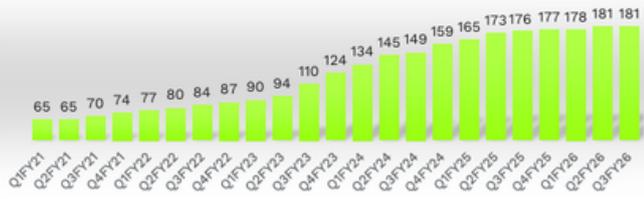
- Q4 growth: “Q4... we will improve, our growth will be higher... the highest quarterly growth in FY26.”
- Q4 profitability: “profitability will improve from what we have in Q3 in spite of our investments.”

FY27 directional guidance (qualitative)

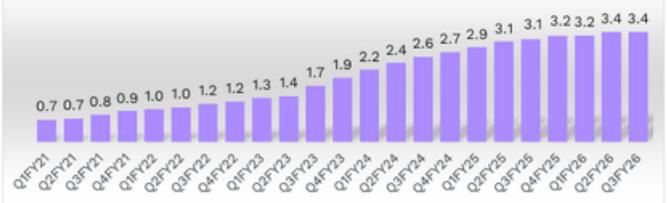
- “We will for sure grow next year higher than this year.”
- However, management is not committing to numbers yet given uncertainty around solution transition timing; more formal view expected around April / after Q4.

Highlights

Revenue \$ Million



EBITDA ₹ Billion



Q3FY26 ₹ YoY
Growth of 9.4%,
\$ YoY growth of
3.0%

Q3FY26 CC QoQ
growth of 1.5%

Revenue

QoQ ₹ growth of 1.9% and reported \$ growth of 0.2%

Growth led by Off-Highway, Powertrain and Diagnostics

Cash and DSO

Healthy Cash Generation continues. Net cash at ₹ 9.0 Bn as at quarter end
Q3FY26 DSO stood at 40 days

Profits

EBITDA growth of 6.8% YoY and flattish QoQ

EBITDA post absorbing partial wage hikes during the quarter

Wins and Pipeline

\$ 202M worth engagements closed during the quarter
Pipeline continues to be satisfactory

Cash Flow – Major Movement



NET CASH (₹ M)	Q3FY26	Q2FY26
Gross Cash	13,481	11,834
Acquisition Debt	4,435	NIL
Short Term Debt	-	1,470
NET CASH	9,046	10,364

Peer Comparison



Peer Stock Performance (5Y) Indexed



Source: Trading View

Peer Financial Performance

Name	CMP Rs.	P/E	Mar Cap Rs.Cr.	Div Yld %	NP Qtr Rs.Cr.	Qtr Profit Var %	Sales Qtr Rs.Cr.	Qtr Sales Var %	ROCE %
LTIMindtree	5514.65	31.56	163505.67	1.14	959.60	28.57	10781.00	11.59	27.63
Tech Mahindra	1632.15	33.29	159908.70	2.74	1118.60	32.95	14393.20	8.34	18.56
Persistent Systems	5718.70	50.16	90212.42	0.60	439.45	35.75	3778.21	23.38	30.44
KPIT Technologi.	959.10	34.58	26293.13	0.87	133.41	-6.28	1617.46	9.44	40.03

Source: Screener

Final Outlook

LTIM: HOLD | LTP: 888.70

KPIT is a fast-growing IT company focused only on the automobile and mobility sector. The company has shown strong revenue and profit growth over the last few years, and margins are improving. Recently, growth has slowed slightly due to global auto industry uncertainty and transition towards solution-based projects. However, the company's long-term opportunity in electric and smart vehicles remains strong. Financial position is healthy and debt is low.

Recent Performance (Q3 FY26 – Simple View)

- Revenue growth: +9.4% YoY (INR terms)
- Growth in USD terms is lower (around 3%)
- Profit remained stable even after salary increases
- Company invested in acquisitions (Caresoft, N-Dream)
- Cash available: around ₹900 Cr (approx.) after acquisitions

Management said:

- Q4 growth will be better than Q3
- FY27 growth will be higher than FY26
- But they are cautious due to transition toward solution-based and AI work

Final Verdict: HOLD

KPIT is a strong long-term growth company, especially in EV and mobility software. But near-term growth is moderate and valuations may already reflect future growth.

👉 HOLD for long-term potential.

Fresh buying can be considered during corrections or stronger growth confirmation.

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