

KPIT Fourth Quarter Results FY 2018

Investor Release BSE: 532400 | NSE: KPIT

FY 18 USD revenues grow 14.8% Y-o-Y, reach USD 567.6 Million

Q4 FY18 USD revenue up Q-o-Q by 6.4% at USD 150.2 Million

Pune, May 23, 2018: KPIT (BSE: 532400; NSE: KPIT), a global technology company specializing in providing IT Consulting and Product Engineering solutions and services to Automotive, Manufacturing, Energy and Utilities companies, today reported its consolidated financial results for the fourth quarter and fiscal year ended March 31, 2018.

Highlights for the quarter ended March 31, 2018

- Q4 FY18 PAT at ₹760 Million, a Q-o-Q growth of 23.2%, Y-o-Y growth of 41.6%
- Q4 FY18 reported EBITDA at 11.4%, Operational EBITDA without transaction expenses at 12.7%
- Q4 FY18 ₹ Revenue up by 6% Q-o-Q and 12.6% Y-o-Y
- Net Cash Balance as at March 31, 2018 stood at ₹3.18 Billion (₹0.77 Billion as at March 31, 2017)
- FY19 Growth Outlook of 8% - 10% in USD Revenue

Management comments

Commenting on the performance of Q4 FY18, Ravi Pandit, Co-founder, Chairman & Group CEO, KPIT said, " We are encouraged by the revenue growth during the quarter, led by engineering and certain segments of Business IT viz. Digital and ePLM. We will continue to invest in future technologies relevant for our customers. We are progressing well on the Merger-Demerger transaction, with all regulatory filings on track."

Kishor Patil, Co-founder, CEO & MD, KPIT said, " We are back to industry leading growth, with FY18 registering a healthy growth of ~15%. We have seen reassuring margin improvement in Business IT during the year. We expect to register a growth of 8% to 10% in USD revenues for FY19 with operational EBITDA Margins in the range of 11.5% to 12.5%."

Quick Summary

The year gone by has seen us get back to industry leading growth and we are positive on continuing growth and improved profitability going ahead.

We crossed the USD 500 Million mark and ended FY 2018 with revenues of USD 567.64 Million, a Y-o-Y growth of 15%. The reported EBITDA margin for the year was 10%. We incurred around ₹169 Million as expenses towards the Merger-Demerger transaction during the year, of which ₹129 Million were incurred in Q4FY18. The operational EBITDA during the quarter and the year, thus was as follows:

Details	Unit	Q4FY18	FY18
Reported EBITDA	₹ M	1,098	3,785
Merger-Demerger Transaction Expenses	₹ M	129	169
Operational EBITDA	₹ M	1,227	3,954
Reported EBITDA Margin	%	11.36%	10.33%
Operational EBITDA Margin	%	12.70%	10.79%

The Profit for the year stood at ₹2.53 Billion registering a growth of 6% over last year. In FY17 we had an exceptional gain on account of sale of our functional safety business to the tune of ₹260.9 Million. Excluding this one-time gain in FY17, the profit for FY18 grew by 19% over FY17.

We continued to focus on Cash Generation during the year and ended the year with a gross cash balance of ₹6.3 Billion as compared to ₹4.6 Billion as of last year end. The Net Cash Position was even better at ₹3.18 Billion as compared to ₹770 Million last year end.

In terms of revenue growth, it was a year of balanced growth with good business momentum being maintained throughout the year across geographies, industry verticals and business units. Our digital business continued growing during the year while the Business IT part maintained its steady pace aided by relevant industry recognitions worldwide. Engineering business was the highest growing business during the year and there were some positive and concrete developments in our Products & Platforms business, which contributed to strong growth numbers for the year. Digital Technologies and ePLM also showed good growth during the year.

We continued with the profitability improvement measures, which led to steady and sustainable improvement in the margins, during the year.

Earlier in the year, we announced a transaction of merger and demerger involving KPIT and Birlasoft. Birlasoft is a part of the USD 1.6 billion diversified CK Birla Group.

- The merger of KPIT and Birlasoft will create a USD 700+ Million entity which will immediately demerge into two separate companies :
 - KPIT Technologies (USD 220+ Million revenue company, post-merger), a global leader in Automotive Engineering and Mobility Solutions, which will evolve from the existing Engineering business of KPIT.
 - Birlasoft (a USD 500+ Million revenue company, post-merger), a new Digital Business IT Services company, focusing on the mid-tier IT space formed by combining Birlasoft with the KPIT's IT business

We have almost completed all the regulatory requirements of the mandatory Open Offer in KPIT pursuant to the above transaction. We are currently in the process of various regulatory filings required for the transaction to get completed and we believe we are on track for the same.

SERVICES UPDATE

BUSINESS IT

IES SBU contributed 30% of the total revenue for the quarter depicting a sequential growth of 0.3%. For FY18, its revenue contribution was 31% with annual growth of 6%.

SAP SBU contributed 18.4% of the total revenue for the quarter depicting a decline of 2%. The SBU contributed 20% to the annual FY18 revenues with a Y-o-Y marginal decline of 0.8%.

ORACLE

- Oracle has changed its release strategy for JD Edwards (JDE) to incremental and regular Application Software Updates (ASUs) rather than version releases.
- In line with the same, we have developed a new offering "Remain perpetually current on EnterpriseOne 9.2 in Oracle Cloud Infrastructure" which will help customers stay current on ASU's, tools, Releases and patches.
- There is traction for JDE on Oracle Cloud (OCI) besides technical Application Services Interfaces (ASIs) upgrades to get updated to the latest application released version.
- We see strong traction in US geography for all Infor technologies i.e. M3, LN, XA and Syteline while a few of them also have good potential in Europe, APAC and META regions.

SAP

- The key growth areas in SAP are S/4HANA, Hybris, SuccessFactors, Leonardo and Integrated Business Planning (IBP) solutions.
- **KPIT has been named as a strategic partner by SAP to deliver express innovation services for SAP® Leonardo Internet of Things (IoT) accelerator packages.** As part of the collaboration, KPIT will build and offer solution accelerators in specific domain areas of expertise for Connected Goods & Assets, Connected Fleet, Predictive Maintenance and Asset Intelligence Networks.
- **KPIT has been selected as the 2018 Winner of the SAP Hybris Americas Delivery Partner Of The Year.** The SAP Hybris Partner Awards are a long-standing tradition, where SAP recognizes the best of the best in the partner ecosystem. Winning the award places KPIT in a very elite group of only 17 partners worldwide to achieve winner status for this year. The Americas Delivery Partner of Year Award showcases excellence in driving SAP Hybris business, commitment to co-innovation and helping customers achieve their goals.

IMS

- In cloud and cyber security, besides a strong security practice we have also developed GDPR offering for European market which includes assessment and remediation services.
- For digital workplace, we have created a few solutions around digital and mobile technologies to enhance end-user experience like a voice and chat based ticket creation solution across different platforms.
- Under hybrid cloud transformation, we have a strong DC COE in place with all major cloud and DC providers' partnerships with MS, AWS among others.
- For integrated tools stack, we have developed a shared/ dedicated iSight platform stack with pick and choose feature. We have integrated iSight with various Tier 1 ITSM tools. This platform also facilitates workplace automation by initiating corrective actions in real-time based on configured triggers.

ePLM

- In ePLM, we see momentum for implementation, upgrade and support of PLM offerings in automotive, medical and A&D sector while ALM implementation and support opportunities in automotive customers.

THOUGHT LEADERSHIP (BUSINESS IT)

- KPIT has recently signed a Business Processes Services (BPS) agreement with Oracle to meet the evolving product data classification and attribution demands of global clients. Through this agreement, KPIT will add Oracle EDQ application as one of the tools in KPIT's Product Data-as-a Service (P-DaaS) offering to provide customers with the capability to classify, attribute, and enrich their existing parts, items, or product information based on industry standard taxonomy.
- KPIT has been positioned by Gartner Inc. in the niche players quadrant of the 2018 "Magic Quadrant for Oracle Application Services, Worldwide" and named in the 2018 "Critical Capabilities for Oracle Application services, worldwide."
- KPIT has been recognized as a market leader in a recent Cloud services report, published by ISG, a leading technology research and advisory firm. According to the ISG Provider Lens™ Cloud Services Quadrant Report, KPIT was named among the leading providers for the "SAP Services" quadrant.

DIGITAL TECHNOLOGIES

The overall digital revenues including digital in SAP and Oracle are ~ 30% of the Business IT revenues of the company. The overall digital revenues grew by around 20%+ in FY18 over FY17

DT SBU (which addresses DT outside of SAP and Oracle) constituted 10.3% of the total revenue for the quarter with sequential growth of 6.3%. For FY18, the SBU's revenue contribution was 10.3% with annual growth of 15.3%.

- Our Digital SBU primarily focuses on Enterprise Asset Management, Customer Experience, IOT, Factory Automation and Supply Chain Management.
- Going forward, the key growth areas would be connected products (IOT), robotic process automation, digital manufacturing, AI and Smart Glass.

THOUGHT LEADERSHIP

- Forbes India published an article by KPIT's thought leader within the Digital space titled - 'Connected Factories and Business Application of Smart Glass' article.

ENGINEERING SERVICES

PES SBU contributed 36% of the total revenue for the quarter, depicting a sequential growth of 12%.

For FY18, the SBU contributed 34% with Y-o-Y growth of 32%.

- Our major growth opportunities came across Autonomous driving, AUTOSAR, Connected Vehicle, In-Vehicle Infotainment and Electric Powertrain domains.
- We continue to strive for the leadership position in automotive embedded electronics space and going forward our key focus areas would revolve around CLEAN (ePowertrain), SMART (Autonomous), CONNECTED (Infotainment) and SAFE (Diagnostics, Security)

THOUGHT LEADERSHIP (ENGINEERING)

- KPIT showcased solutions and assets to enable Autonomous driving, Connected mobility, Electrified powertrain at CES 2018 in Las Vegas, US.
- Artificial Intelligence (AI) is considered as the next digital frontier. Automotive industry in pursuit of building self-driving vehicles is at the forefront of adopting AI. KPIT shared its point of view on the role of AI in automotive industry with a special focus on autonomous driving and diagnostics domains at IT Trans 2018 event, Europe.

- Auto ecosystem perceives simulation as one of the key areas to achieve autonomous driving. KPIT showcased its solutions in virtual simulation for autonomous driving at IPG Open House 2018. The solutions will help the automakers in accelerating their journey to driverless vehicles.
- KPIT delivered a special address that delved into the megatrends that are changing the automotive landscape at the 10th Edition Conference on Automotive R&D Trends organized by CII.

PRODUCTS & PLATFORMS (P&P)

P&P SBU contributed 5.4% to the total revenue for the quarter and it grew sequentially by 50%.

For FY18, the SBU contributed 4.7% to the total revenues with Y-o-Y growth of 53.8%.

- Eicher Trucks & Buses, part of VE Commercial Vehicle, recently forayed into the electric bus segment and has formed a partnership with KPIT Technologies for its indigenously developed electrification technology, 'REVOLO'. VE Commercial Vehicles will integrate REVOLO on its industry leading bus platform - 'Skyline Pro'. The new smart electric bus Skyline Pro E will be manufactured at VECV's state-of-the-art manufacturing facility in Indore, Madhya Pradesh. With the electrification technology and the buses being developed in India, these vehicles truly embody the 'Made in India, for India' promise.
- KPIT has expanded its mobility solution portfolio by launching India's first ARAI certified AIS-140 compliant vehicle telematics system and emergency button solution. The AIS-140 regulation, applicable from April 1st, 2019, mandates a vehicle tracking device and one or more emergency button(s) in all existing and new public service vehicles.

THOUGHT LEADERSHIP

- We have received the ARAI Certification (Homologation) for 'REVOLO' powered Electric Bus developed with Eicher.
- To enable and empower the 'Smart Cities Mission' in India, KPIT participated in:
 - a) 5th Sm@rt Urbanation Convention & Expo 2018 and shared thoughts on "Mobility Solutions for the Cities of Future"
 - b) 4th India-Europe29 Business Forum and shared perspective on "Collaborating to develop 100 Smart Cities in India: Innovative urban transport solutions and clean technologies to define India-E29 future partnerships".
- One of the major commercial vehicle makers in India organized a technical consortium that served as a platform to show tech expertise and exchange innovative ideas. KPIT displayed solutions such as AIS-140, Vehicle Tracking System (VTS), School Bus ITS and demonstrated how advanced mobility is shaping up the commercial vehicle space.

VERTICAL UPDATE

AUTOMOTIVE AND TRANSPORTATION VERTICAL

Automotive vertical contributed 44.5% of total revenue for the quarter, registering a Q-o-Q growth of 6.8%. For FY18, the revenue contribution was 43.3% with Y-o-Y growth of 23%.

- Some of the key trends expected to drive the industry in 2018 include: voice-recognition driven personal assistants such as Amazon Alexa and Google Assistant, reduction in EV battery prices and application of deep learning in autonomous vehicle development.

- There will be a few other factors which will come into play while OEMs consider their roadmap: Investment in developing long range EVs, decline in sale of diesel cars and wider adoption of driver monitoring systems in vehicles.

MANUFACTURING VERTICAL

Manufacturing vertical contributed 29.7% of total revenue for the quarter, depicting a Q-o-Q growth of 9%. For FY18, the revenue contribution was 30.3% with Y-o-Y decline of 2%.

- In Life sciences industry, we see growing momentum for IoT programs for service enablement while there is higher adoption of cloud solutions in regulatory compliance sensitive areas like track and trace, MDM, PLM.
- There is strong demand for MDM as companies continue to digitally transform their business processes and innovate business models. Technologies enabling modern/ connected/ IIoT Manufacturing 4.0 are also gaining pace.
- Some of the key areas where we are investing and developing offerings include cold chain management, Blockchain, integrated smart glass applications, DaaS and CPQ cloud solution for medical device manufacturers.
- In Hi-Tech industry, there is unpredictable demand while product lifecycles are becoming shorter. There is also emergence of new business models and supporting technologies.
- The industry has been witnessing frequent M&As which emphasize the need for right solutions and joint GTM strategy. There is also growing opportunity with complex supply chain networks.
- Also in terms of security, while there is need for highly competitive solutions for IP protection there is also growing demand for statutory and regulatory compliance solutions.
- We are offering solutions to address these trends- PLM/ ALM solutions, IoT, Big Data and Analytics solutions/ CPQ, Cloud readiness, Data Quality and MES Solution/ Stratos M&A, HighTECH Edge/ Channel management, Remote Service and Warranty Analytics/ Global Trade management, IFRS services among others.

ENERGY & RESOURCES VERTICAL

Energy vertical contributed 11.6% of the total revenue for the quarter depicting a marginal sequential decline of 0.4%. For FY18, the revenue contribution was 11.8% with Y-o-Y growth of 22%.

- Renewables, smart homes, AI and IoT will continue driving the energy industry through 2018.
- With strong sales capabilities, vertical specific offerings and Cross-SBU leverage we are working towards developing new technologies and digital offerings focusing on AMS, cost efficiency and automation.

UTILITIES VERTICAL

Utilities vertical contributed 6.3% of the total revenue for the quarter depicting a sequential growth of 12.4%. For FY18, the revenue contribution was 6% with Y-o-Y growth of 95%.

- The modern utility faces an array of challenges due to growing demand, stricter regulations, environmental mandates, and consumer expectations. These challenges require strategic technology investment and innovation.

- The major trends in the industry today are convergence of information and operations technology, increased use of connected devices, increasing regulatory requirements, changing customer engagement models, focus on renewable energy generation and innovations in operations.
- KPIT enables organizations in the Utilities industry to excel by focusing on innovative technology, synchronizing people, process and technology and streamlining business processes across a full breadth of applications. Our focus areas include Operations Excellence, Workforce Enablement, Business Transformation, Customer Experience and Digital Transformation.

GEOGRAPHY UPDATE

- The US Geography continues to be the largest geography for us with a revenue share of 61.5% and it grew by 2.8% on a Q-o-Q basis. For FY18, US contributed 63.2% to the total revenues with Y-o-Y growth of 6.5%. We see good traction in the US geography for Infor, Oracle Cloud, engineering and digital technologies.
- Europe geography with a revenue share of 20.8%, grew strongly by 11.2% sequentially during this quarter. During the year, Europe's revenue share increased to 19.5% with strong Y-o-Y growth of 36.3%. Europe geography saw very good traction in engineering led by epowertrain, AD-ADAS and diagnostics. We expect the geography to continue growing at a faster pace, especially in Germany.
- Asia was the highest growing geography during the quarter as it grew sequentially by 14.3% while contributing 17.7% to the total revenues. For FY18, the geography contributed 17.3% to the annual revenues with Y-o-Y growth of 28.7%. Asia has been leading growth for us for the past couple of years and we see good traction in products and platforms, digital and engineering in the Asia geography.

**All the revenue growth numbers mentioned under IBU, Geography and SBU update are in equivalent \$ terms.*

Technology Update

- We have filed 6 patents during the quarter in automotive and energy domain. With this the total number of patents filed as on Q4 FY18 end stood at 58 including 53 patents with complete specifications.
- We were also granted 3 patents during this quarter taking the total count of granted patents to 40. The details of granted patents in Q4 FY18 are mentioned below:

Patent Number	Patent Title	Country	Domain
EP 2477835	Motor Assistance for a Hybrid Vehicle Based on User Input	Europe	Hybrid
IN292492	A System for Detecting, Locating and Tracking A Vehicle	India	Automotive (ADAS)
AU2015348933	Method for manufacturing a modular structure	Australia	Manufacturing

Customer Highlights

- KPIT was chosen as a partner in the Connected Vehicle domain by one of the leading OEMs in the world.
- KPIT was chosen by a large global OEM for power electronics and inverter development in ePowertrain space.
- One of the world's leading Tier1 suppliers selected KPIT for its domain expertise in Autonomous Driving space.
- KPIT was selected by one of the world's largest multinational oil and natural gas companies for process consulting – Application Managed Services.

- Two major commercial vehicle manufacturers and one passenger car manufacturer have chosen KPIT as a partner to provide AIS-140 related systems
- KPIT was selected by a SE Asian marine & offshoring engineering company for Oracle Middleware support.
- KPIT was selected by a Fortune 500 American health care company for a JD Edwards 9.2 Upgrade.
- A Europe-based producer of distilled beverages selected KPIT for JD Edwards AMS.
- A North America-based manufacturer of upholstered furniture chose KPIT for SAP Managed Services
- A company specializing within the Aerospace and Defense sector selected KPIT to support their PLM systems.
- A European renewable energy solutions provider selected KPIT for their PLM and ALM implementation.

Other Highlights

- KPIT has partnered with the Indian government to support the first Smart India Hackathon 2018-Hardware edition. The company will be steering the evaluation committee of the automotive and smart vehicle segment of the hackathon.
- KPIT won multiple awards at the Dassault Systèmes 2018 Value Solutions Sales Convention Americas, held in Fort Lauderdale, Florida. KPIT was awarded 'Key Team Win of the Year' for work on behalf of its client, Soucy Group, a Canada based manufacturer and supplier of components for recreational, industrial, agricultural and defence vehicles.

Other Update

This morning a California jury delivered a verdict in a lawsuit that has been pending for over four years in District Court (USA). The lawsuit involved various claims brought by Copart, Inc. against Sparta Consulting, Inc., KPIT Infosystems, Inc. and KPIT Technologies Ltd., and Sparta Consulting, Inc.'s claims against Copart, Inc. While we do not yet have a copy of the jury's written decision (the "verdict form"), what we understand from the oral proceedings in court yesterday is that the jury awarded damages to both Sparta and Copart with respect to their respective claims. We understand the net result is an amount owing to Copart, Inc. approximately US \$ 16 M. The court set a further hearing on July 13, 2018, at which time the parties' respective motions regarding the jury's decision will be considered. After those motions are heard and considered, the court will issue its final written judgment.

Even before the jury issued its verdict, the court had previously ruled that any direct claims against KPIT Technologies Ltd. should be dismissed as a matter of law.

Sparta and KPIT Infosystems continue to vigorously deny any and all wrongdoing, and will continue to explore all possible challenges to the verdict.

Financial Update

REVENUE UPDATE

Our \$ revenue for the quarter stood at \$150.2 Million, a Q-o-Q growth of 6.4% and Y-o-Y growth of 17.1%. In ₹ terms revenue grew by 5.9% Q-o-Q and 12.6% Y-o-Y to ₹ 9,664.3 Million.

Amongst SBUs, there was a significant Q-o-Q growth in P&P SBU as it grew by 50% while PES and DT SBU grew by 12% and 6.3% respectively. IES SBU grew marginally by 0.3% on a Q-o-Q basis while SAP SBU declined by 2.1%. On an annual basis for FY18, P&P SBU grew by 53.8% while PES grew by 32.3%. DT and IES SBU grew by 15.3% and 5.9% respectively. There was a marginal decline of 0.8% in SAP SBU.

Amongst geographies, APAC was the highest growing geography with 14.3% Q-o-Q growth while Europe grew by 11.2% and US grew by 2.8%. On an annual basis for FY18, Europe was the highest growing geography with 36.3% followed by APAC which grew by 28.7% and US which grew by 6.5%.

In terms of industry verticals, manufacturing grew by 9% while Automotive & Transportation vertical grew by 6.8%. There was a sequential growth of 3.8% in Energy & Utilities vertical. On an annual basis for FY18, Energy & Utilities grew by 39.4% while Automotive & Transportation vertical grew by 23%. There was a marginal decline of 2% in manufacturing vertical.

On a Q-o-Q basis our top customer grew by 6% with revenue share of 12.1%. The 20 top strategic accounts constituted 51.8% of the total revenues and grew by 8.6%. Similarly, the 40 top strategic accounts constituted 63.1% of the revenues and had a Q-o-Q growth of 9.5%. For FY18, the top client grew by 10% while there was a growth of 32.7% and 25% in Top 20 and Top 40 strategic clients respectively.

**All the revenue growth numbers mentioned under revenue update are in equivalent \$ terms.*

PROFITABILITY

The realized rate for the quarter was ₹64.35 /\$ against ₹64.64/\$ in Q3 FY18.

The offshore revenues grew faster during the quarter and employee productivity also showed a steady increase resulting in increased offshore utilization. Higher engineering revenues also resulted in a higher offshore realized billing rate during the quarter. There was an increase in the Business IT profitability during the quarter and we see it increasing steadily. We have done significant R&D and new solutions development investments both in Engineering as well as Business IT, albeit tilted more towards engineering, which had some impact on the engineering profitability for the quarter.

We will continue to focus on improving people utilization, productivity and revenue mix leading to steady improvement in operating profitability over the next year.

CASH FLOW

Details	₹ Million
Cash Profit for Q4 FY18	1,016
Working Capital Adjustments	791
Cash Generated from Operations	1,807
Fixed Assets + ESOPs	(297)
Balance Cash Flow	1,510
Investment in Subsidiary (Net)	(97)
Debt Repayment	(171)
Total Increase/(Decrease) in cash balance	1,242
Total Net Cash balance as at Q4 FY18 end	3,178

- The Cash Balance as at March 31, 2018 stood at ₹6,266 Million as compared to ₹5,024 Million as on December 31, 2017.
- The DSO were at 70 days, at the quarter end.
- As on March 31, 2018 our total debt stood at ₹3,088 Million (₹3,252 Million as of December 31, 2017) comprising of ₹970 Million of Term Loan and ₹2,188 Million of Working Capital Loan.
- Thus, the Net Cash Balance as at March 31, 2018 stood at ₹3,178 Million (₹1,772 Million as on December 31, 2017).

Income statement for quarter ended March 31st, 2018

₹ million	Q4 FY18	Q3 FY18	Q-o-Q Growth	Q4 FY17	Y-o-Y Growth
Sales	9,664.32	9,127.66	5.88%	8,584.63	12.58%
Employee Benefit Expenses	6,088.39	5,707.63	6.67%	5,405.83	12.63%
Cost of materials consumed	184.22	62.63	-	71.58	-
Depreciation & Amortization Expenses	256.41	203.61	25.93%	247.83	3.46%
Other Expenses	2,293.43	2,368.29	(3.16%)	2,236.78	2.53%
Total Expenses	8,822.45	8,342.16	5.76%	7,962.02	10.81%
Profit before Other Income, Finance costs & Exceptional Item	841.89	785.50	7.18%	622.61	35.22%
Other Income	190.52	25.37	-	12.49	-
Profit before Finance costs & exceptional Items	1,032.39	810.87	27.32%	635.10	62.56%
Finance costs	28.55	24.27	17.63%	0.42	-
Profit after Finance costs & before exceptional Items	1,003.84	786.60	27.62%	634.68	58.17%
Exceptional Items	-	-	-	-	-
Profit Before Tax	1,003.84	786.60	27.62%	634.68	58.17%
Tax Expenses	165.38	167.58	(1.31%)	97.36	69.86%
Net Profit from ordinary activities after Tax	838.46	619.02	35.45%	537.32	56.05%
Extraordinary Items	-	-	-	-	-
Net Profit for the Period	838.46	619.02	35.45%	537.32	56.05%
Share of profit from associate	(72.48)	-	-	(0.05)	-
Minority Interest	5.95	2.24	-	0.39	-
PAT	760.03	616.78	23.23%	536.88	41.56%
Other Comprehensive Income	144.57	(98.72)	-	(197.47)	-
Total Comprehensive income for the period	904.60	518.06	74.61%	339.41	-
Paid up Capital	379.03	378.03	-	376.39	-
EPS (₹ 2/-Face Value each)					
- Basic	3.93	3.20	22.86%	2.80	40.43%
- Fully Diluted	3.81	3.10	22.92%	2.69	41.47%
Common Size Analysis:					
Gross Profit Margin	31.30%	30.71%	0.59%	29.15%	2.14%
SG&A / Revenue	19.93%	19.87%	0.06%	19.01%	0.92%
EBITDA Margin	11.36%	10.84%	0.53%	10.14%	1.22%
Net Profit Margin	7.86%	6.76%	1.11%	6.25%	1.61%

Income statement for fiscal year ended March 31st, 2018

₹ million	FY 18	FY 17	Y-o-Y Growth
Sales	36,655.82	33,233.61	10.30%
Employee Benefit Expenses	22,921.23	20,905.25	9.64%
Cost of materials consumed	549.88	256.11	114.70%
Depreciation & Amortization Expenses	843.00	826.64	1.98%
Other Expenses	9,399.66	8,585.92	9.48%
Total Expenses	33,713.77	30,573.92	10.27%
Profit before Other Income, Finance costs & Exceptional Item	2,942.05	2,659.69	10.62%
Other Income	450.42	206.60	-
Profit before Finance costs & exceptional Items	3,392.47	2,866.29	18.36%
Finance costs	104.32	135.98	(23.28%)
Profit after Finance costs & before exceptional Items	3,288.15	2,730.31	20.43%
Exceptional Items	25.55	260.91	-
Profit Before Tax	3,313.70	2,991.22	10.78%
Tax Expenses	697.54	605.73	15.16%
Net Profit from ordinary activities after Tax	2,616.16	2,385.49	9.67%
Extraordinary Items	-	-	-
Net Profit for the Period	2,616.16	2,385.49	9.67%
Share of profit from associate	(72.48)	(0.05)	-
Minority Interest	15.13	0.39	-
PAT	2,528.54	2,385.05	6.02%
Other Comprehensive Income	177.46	(250.72)	-
Total Comprehensive income for the period	2,706.00	2,134.33	26.78%
Paid up Capital	379.03	376.39	-
EPS (₹ 2/-Face Value each)			
- Basic	13.13	12.43	5.57%
- Fully Diluted	12.69	11.93	6.36%
Common Size Analysis:			
EBITDA Margin	10.33%	10.49%	(0.16%)
Net Profit Margin	6.90%	7.18%	(0.28%)

Performance Metrics for quarter ended March 31st, 2018

	Q4 FY18	Q3 FY18	Q-o-Q Growth	Q4 FY17	Y-o-Y Growth
Revenue Spread – Geography					
USA	61.54%	63.68%	2.33%	67.66%	2.39%
Europe	20.79%	19.88%	10.75%	16.75%	39.72%
Rest of World	17.67%	16.45%	13.75%	15.59%	27.60%
Revenue Spread – Verticals					
Automotive & Transportation	44.53%	44.33%	6.35%	41.29%	21.40%
Manufacturing	29.71%	28.99%	8.52%	33.79%	(1.03%)
Energy & Utilities	17.87%	18.31%	3.32%	13.96%	44.11%
Others	7.90%	8.37%	(0.13%)	10.96%	(18.86%)
Revenue Spread – by SBU*					
Integrated Enterprise Solutions	29.56%	31.34%	(0.14%)	31.48%	5.71%
Product Engineering Services	36.31%	34.50%	11.44%	31.68%	29.05%
Products & Platforms	5.41%	3.84%	49.07%	3.88%	56.90%
SAP	18.39%	19.98%	(2.54%)	22.72%	(8.88%)
Digital Transformation [^]	10.33%	10.34%	5.80%	10.25%	13.54%
Customer details					
No. of Customers Added	4	3	-	3	-
No. of Active Customers	241	237	-	228	-
Customers with run rate of >\$1Mn	94	92	-	90	-
Top Client – Cummins	12.13%	12.17%	5.49%	12.36%	10.51%
Strategic Top 20 Clients	51.76%	50.71%	8.07%	47.65%	22.28%
Strategic Top 40 Clients	63.08%	61.26%	9.03%	58.99%	20.38%
Onsite / Offshore Split					
Onsite Revenues	52.47%	56.23%	(1.20%)	55.84%	5.78%
Offshore Revenue	46.52%	42.93%	14.73%	43.32%	20.89%
SI [#]	1.01%	0.85%	25.81%	0.84%	35.36%
Revenue by Contract Type					
Time and Material Basis	60.61%	61.12%	4.99%	63.19%	7.97%
Fixed Price / Time Basis	38.38%	38.04%	6.83%	35.97%	20.12%
SI [#]	1.01%	0.85%	25.81%	0.84%	35.36%
Debtors (days)	70	71	-	74	-

Human Resources – Details	Q4 FY18	Q3 FY18	Q-o-Q Growth	Q4 FY17	Y-o-Y Growth
Development Team – Onsite (Avg.)	1,764	1,762	-	1,705	-
Development Team - Offshore(Avg.)	9,712	9,438	-	9,413	-
Onsite FTE	1,643	1,643	(0.05%)	1,524	7.80%
Offshore FTE	7,085	6,683	6.01%	6,426	10.25%
Total FTE	8,655	8,326	4.82%	7,950	9.78%
Development (at Quarter end)	11,626	11,324	-	11,225	-
Gen Management / Support (at Quarter end)	645	636	-	626	-
Marketing (Subsidiaries) (at Quarter end)	256	251	-	256	-
Total (at Quarter end)	12,527	12,211	-	12,110	-
Onsite utilization	93.12%	93.27%	-	89.37%	-
Offshore utilization	72.95%	70.81%	-	68.27%	-

*The SBU revenues have been re-classified based on new organizational changes and previous period figures have been restated for comparison.

Products & Platforms SBU revenue has been separated from Product Engineering Services SBU.

^ Digital Transformation SBU (erstwhile Enterprise Solutions SBU)

SI represents the revenues for our Telematics, EV and KIVI Bus Entertainment solutions.

Performance Metrics for fiscal year ended March 31st, 2018

	FY 18	FY 17	Y-o-Y Growth
Revenue Spread – Geography			
USA	63.17%	68.11%	2.29%
Europe	19.51%	16.43%	30.96%
Rest of World	17.32%	15.45%	23.60%
Revenue Spread – Verticals			
Automotive & Transportation	43.34%	40.46%	18.16%
Manufacturing	30.32%	35.48%	(5.73%)
Energy & Utilities	17.79%	14.65%	33.95%
Others	8.54%	9.41%	0.12%
Revenue Spread – by SBU*			
Integrated Enterprise Solutions	30.82%	33.41%	1.75%
Product Engineering Services	34.10%	29.60%	27.05%
Products & Platforms	4.73%	3.53%	47.70%
SAP	20.08%	23.23%	(4.66%)
Digital Transformation [^]	10.28%	10.23%	10.76%
Customer details			
No. of Customers Added	13	10	-
No. of Active Customers	241	228	-
Customers with revenue of >\$1Mn	90	90	-
Top Client – Cummins	12.19%	12.72%	5.67%
Strategic Top 20 Clients	50.91%	44.05%	27.46%
Strategic Top 40 Clients	61.23%	56.27%	20.02%
Onsite / Offshore Split			
Onsite Revenues	54.16%	56.97%	4.86%
Offshore Revenue	44.43%	42.27%	15.93%
SI [#]	1.41%	0.76%	104.63%
Revenue by Contract Type			
Time and Material Basis	61.30%	67.64%	(0.05%)
Fixed Price / Time Basis	37.29%	31.60%	30.16%
SI [#]	1.41%	0.76%	104.63%
Debtors (days)	71	74	-

Human Resources – Details	FY 18	FY 17	Y-o-Y Growth
Development Team – Onsite (Avg.)	1,742	1,664	-
Development Team - Offshore(Avg.)	9,557	9,048	-
Onsite FTE	1,605	1,485	8.06%
Offshore FTE	6,758	6,183	9.29%
Total FTE	8,363	7,669	9.05%
Development (at Quarter end)	11,626	11,225	-
Gen Management / Support (at Quarter end)	645	629	-
Marketing (Subsidiaries) (at Quarter end)	256	256	-
Total (at Quarter end)	12,527	12,110	-
Onsite utilization	92.12%	89.28%	-
Offshore utilization	70.71%	68.34%	-

Hedging details

The currency market has been extremely volatile in the recent period and the company has major exposure in 3 currencies- USD, Euro and GBP. As per our hedging policy, we cover 75% of the net exposure through forward contracts for the next two quarters.

Total Outstanding Hedges:

- Total amount of USD hedges as on 31st March 2018 : \$ 39.35 Million
- These hedges are maturing in the next 2 quarters and average rate for these hedges is ₹65.91/\$

Balance sheet details

Balance Sheet Summary: As at (₹ Million)	Mar 31, 2018	Mar 31, 2017
Assets:		
Non-current Assets:	10,756.77	10,580.72
Fixed Assets	4,334.61	3,967.78
Goodwill	4,275.06	4,116.81
Other Non-current assets	2,147.10	2,496.13
Current Assets:	16,572.17	14,703.47
Inventories	238.77	433.49
Trade Receivables	8,057.00	7,843.39
Cash & bank balances	5,049.30	3,901.81
Other Current Assets	3,227.10	2,524.78
Total Assets	27,328.94	25,284.19
Equity & Liabilities:		
Equity:	18,204.83	15,841.49
Share Capital	379.03	376.39
Other Equity	17,790.13	15,448.24
Non-controlling Interest	35.67	16.86
Non-current Liabilities:	1,505.85	1,696.41
Financial liabilities	818.20	1,117.05
Provisions	687.44	579.25
Deferred tax liabilities	0.21	0.11
Current Liabilities:	7,618.26	7,746.29
Short term borrowings	2,109.09	2,218.83
Trade Payables	1,587.16	1,311.06
Other Current liabilities	3,922.01	4,216.40
Total Equity & Liabilities	27,328.94	25,284.19

Conference Call Details

Conference name : KPIT Q4 FY2018 Conference Call
 Date : May 24, 2018
 Time : 1600 Hours (IST)

Dial-in Numbers for all the participants

Primary number : +91 22 6280 1325/ +91 22 7115 8226
 Local access Number : +91 70456 71221

Toll free Number : USA- 1 866 746 2133
 UK- 0 808 101 1573
 Singapore- 800 101 2045
 Hongkong- 800 964 448

<http://services.choruscall.in/diamondpass/registration?confirmationNumber=5995186>

[Copy and paste the above link in your internet browser to access the Diamond Pass.]

About KPIT Technologies

KPIT (BSE:532400, NSE: KPIT) is a global technology company specializing in providing IT Consulting and Product Engineering solutions and services to Automotive, Manufacturing, Energy & Utilities and Life Sciences companies. Together with its customers and partners, it creates and delivers technologies to enable creating a cleaner, greener and more intelligent world that is sustainable and efficient. For more information, visit <http://www.kpit.com>

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 highly-competitive market for the types of services that we offer, market conditions that could cause our customers 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.

Contact Details

For Investor Queries	For Media Queries
<p>Sunil Phansalkar Email: sunil.phansalkar@kpit.com Tel. (Direct): +91 20 6652 5014 Tel. (Board): +91 20 6652 5000 Tel. (Cell): +91 98509 66011</p>	<p>Suma Nair Email: suma.nair@kpit.com Tel. (Board): +91 22 2778 3185 Tel. (Cell): +91 98330 84449</p>
<p>Lipika Bisht Email: lipika.bisht@kpit.com Tel. (Cell): +91 98108 80578</p>	