

BONANZA WEALTH MANAGEMENT RESEARCH



27 October 2020

KPIT Technology Ltd (Hold)

CMP : Rs. 98.85

Result Update

In Q2FY21 revenue stood at INR 4,854.59 Mn de-grow by 1.47% QoQ. In dollar term revenue grew by 0.10% QoQ. Q2 FY21 revenue was flat over Q1 FY21 due to change in revenue mix, offshore shift and volume growth. EBIT margin at 7.03% grew by 29 bps QoQ. Improvement in margin was due to increase in operational efficiency and productivity and offset by rupee appreciation. Net profit at INR 278.88 Mn grew by 16.11% and 80 bps QoQ.

In Q2 FY21 company has won 5 OEM projects across Europe, America and Asia and across the technology electrification, AD-ADAS and connected vehicle. It expect large deal won earlier to ramp up in H2. Deal pipeline remain strong with a few strategic deals. Management indicate that it has increase wallet share in several of strategic accounts. Strategic customer (T21 accounts) contribute 86.1% of revenue marginal increase from previous quarter. Deal announcement in a last two quarter, along with 5 OEM engagement and strong deal pipeline gives company confidence for future revenue visibility. The company expects FY21 volumes to be similar to FY20 although billing could be more offshore, leading to lower dollar revenue/higher margins.

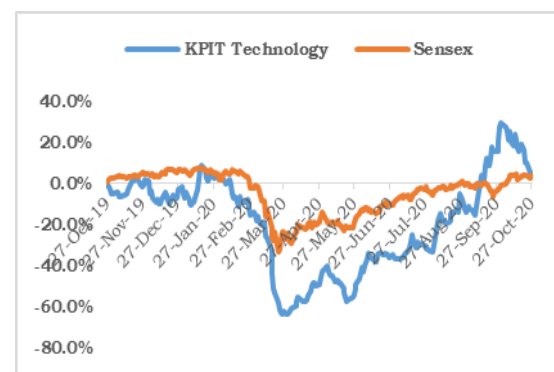
Demand trend from OEM has started to pick up conservative apart from continue projects. Company continue to invest in R&D expenses and spend 7% of the workforce work on R&D project. Management indicate due to pandemic deal that went down in Q1 has bounce back marginally, Almost 30% of which has come back and another 30% will come back at the end of the financial year. Management expect to increase offshoring for a couple of quarters and confident of growth and further margin improvement in H2 over H1.

Growth was mainly in Europe by 3.6% QoQ, American and

Stock Details	
Market Cap (Rs Cr)	2,709.91
BSE Code	542651
NSE Code	KPITTECH
Sector/Index	IT-Software
Year End	March
52 w.High/Low	129.60/34.45
Shares in Issue	27,41,43,808
BSE Sensex	40,522.10
NSE Nifty	11,889.40

Shareholding Pattern (%)	
Indian Promoters	42.34
Foreign Promoters	0.01
DII's	14.33
FII's	21.82
others	21.5

Key Ratios	
Div Yield	1.01%
TTM PE	20.17
ROE	14.04%
TTM EPS (INR)	4.9



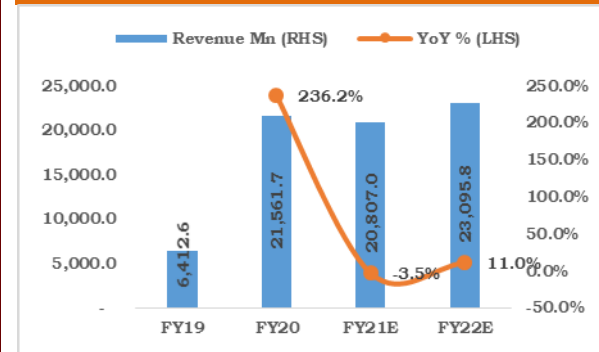
Asia de-growth by 0.6%/5.9% QoQ. Passenger cars contribute 58.58% of revenue de-grow by 0.3% QoQ Commercial Vehicles contribute 17.16% of revenue grew by 3.4% QoQ. New Mobility contribute 0.78% de-grow 45.1% QoQ. In Q2 FY21 total employee stood at 6,630 decrease by 176 employee, revenue per development employee at \$ 42,602 grew by 2.91% QoQ.

Key business Highlights

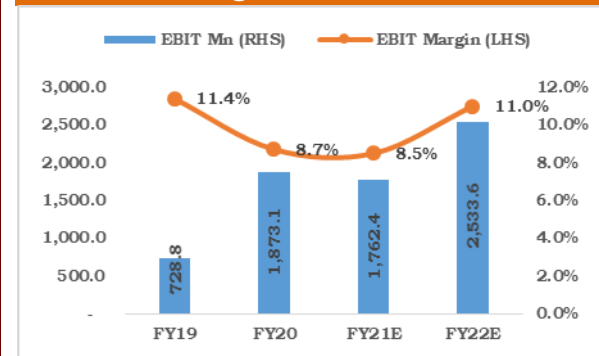
KPIT is a global technology company with software solution that will help mobility leapfrog towards autonomous, clear, smart and connected future. With 6000+ Automoblivers across the globe, specializing in embedded software, AI & Digital solution, KPIT enables customer accelerate implementation of next generation mobility technology. With technology centers in Europe, USA, Japan, China, Thailand and India – KPIT works with leaders in mobility and si present where the ecosystem in transforming. KPIT Technology focused on automotive engineering and mobility solution.

Graphs & Charts

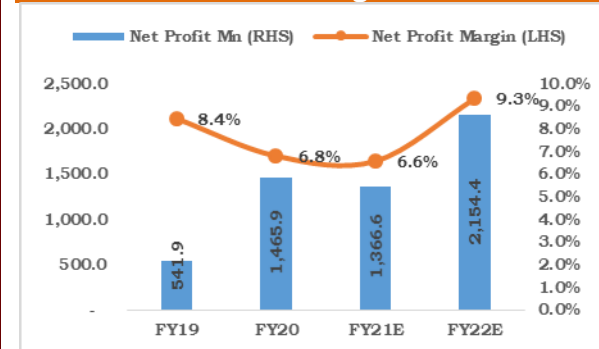
Net Sales Trend



EBIT & EBIT Margin Trend



Net Profit & Net Profit Margin



Revenue from Strategic T21 Client



Team Details

Name	Designation
Amit Lanjewar	Research Analyst

Disclosure:

Bonanza Portfolio Ltd here by declares that views expressed in this report accurately reflect view point with subject to companies/securities. Bonanza Portfolio Ltd is responsible for the preparation of this research report and has taken reasonable care to achieve and maintain independence and objectivity in making any recommendations. Bonanza Portfolio Ltd or its associates or Analyst or his relatives may or may not hold beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of this research report.

Bonanza Portfolio Ltd operates under the regulation of SEBI Regn No.INM000012306

Disclaimer:

This research report has been published by Bonanza portfolio Ltd and is meant solely for use by the recipient and is not for circulation. This document is for information purposes only and information / opinions / views are not meant to serve as a professional investment guide for the readers. Reasonable care has been taken to ensure that information given at the time believed to be fair and correct and opinions based thereupon are reasonable, due to the nature of research it cannot be warranted or represented that it is accurate or complete and it should not be relied upon as such. If this report is inadvertently send or has reached to any individual, same may be ignored and brought to the attention of the sender. Preparation of this research report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Past performance is not a guide for future performance. This Report has been prepared on the basis of publicly available information, internally developed data and other sources believed by Bonanza portfolio Ltd to be reliable. This report should not be taken as the only base for any market transaction; however this data is representation of one of the support document among other market risk criterion. The market participant can have an idea of risk involved to use this information as the only source for any market related activity. The distribution of this report in definite jurisdictions may be restricted by law, and persons in whose custody this report comes, should observe, any such restrictions. The revelation of interest statements integrated in this analysis are provided exclusively to improve & enhance the transparency and should not be treated as endorsement of the views expressed in the analysis. The price and value of the investments referred to in this report and the income from them may go down as well as up. Bonanza portfolio Ltd or its directors, employees, affiliates or representatives do not assume any responsibility for, or warrant the accuracy, completeness, adequacy and reliability of such information / opinions / views. While due care has been taken to ensure that the disclosures and opinions given are fair and reasonable, none of the directors, employees, affiliates or representatives of Bonanza portfolio Ltd shall be liable. Research report may differ between Bonanza portfolio Ltd RAs and other companies on account of differences in, personal judgment and difference in time horizons for which recommendations are made. Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. Research analyst have not received any compensation/benefits from the subject company or third party in connection with the research report

Bonanza Portfolio Ltd. Bonanza House, Plot No. M-2, Cama Industrial Estate. Walbhat Road, Goregaon (E), Mumbai – 400063 Web site: <https://www.bonanzaonline.com>
SEBI Regn. No.: INM000012306 | NSE CM: INB 230637836 | NSE F&O: INF 230637836 | NSE CDS: INE 230637836 |
BSE CM: INB 011110237 | BSE F&O: INF 011110237 | MSEI: INE 260637836
| CDSL: a) 120 33500 |
NSDL: a) IN 301477 | b) IN 301688 (Delhi) | PMS: INP 000000985 | AMFI: ARN -0186

2018 © Bonanza Portfolio Ltd.

