




KPIT Technologies Ltd.

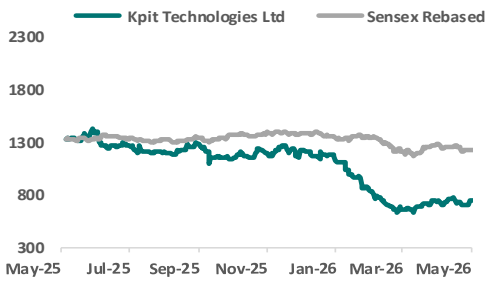
Accumulate

Sector: IT-Automobiles

25th May, 2026

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 846
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 751
Small Cap	KPITTECH:IN	75,415	KPITTECH	542651	12 Months	Return	+13%

Data as of: 22-05-2026, 18:00 hrs

Company Data			
Market Cap (Rs. cr)	20,598		
52 Week High — Low (Rs.)	1,433 - 625		
Enterprise Value (Rs. cr)	20,141		
Outstanding Shares (Rs cr)	27.4		
Free Float (%)	60		
Dividend Yield (%)	1.1		
6m average volume (cr)	0.2		
Beta	1.4		
Face value (Rs)	10.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	39.4	39.4	39.4
FII's	14.3	13.6	13.3
MFs/Institutions	23.9	25.4	24.7
Public	22.4	21.7	22.7
Total	100	100	100
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-10%	-37%	-43%
Absolute Sensex	-9%	-11%	-8%
Relative Return	-1%	-26%	-36%
*over or under performance to benchmark index			
			
Consolidated (Rs. cr)	FY26A	FY27E	FY28E
Sales	6,455	7,061	7,791
Growth (%)	10	9	10
EBITDA	1,258	1,479	1,758
Margin(%)	19	21	23
PAT Adj.	682	813	1,008
Growth (%)	-19	19	24
Adjusted EPS	25	30	37
Growth (%)	-20	19	24
P/E	27	22	18
P/B	5	4	4
EV/EBITDA	14	12	9
ROE (%)	21	21	23
Adj. D/E	0	0	0

Solid Pipeline and Key Wins Drive Future Growth

KPIT Technologies Ltd., a digital transformation consulting & software integration company, provides cutting-edge engineering solutions to more than 150 companies & enterprises in the field of CASE mobility.

- KPIT delivered 12% YoY revenue growth in Q4FY26, led by robust growth in Trucks & Off-highway segment (11.6% QoQ, 43% YoY), followed by strong traction in Cloud-based Connected Services (13% QoQ, 40% YoY).
- EBITDA margins contracted by 231 bps to 18.8% in Q4FY26, primarily due to a Rs.31cr forex loss, program ramp-downs, delayed OEM spending, and continued investments in AI.
- Over the medium term, the company targets 22–24% EBITDA margins, driven by higher-margin products, AI-infused delivery and reusable solutions.
- KPIT's deal momentum remained strong, securing \$349mn in new TCV deal wins during the quarter, including two large engagements. Deal wins grew 73% QoQ and 25% YoY, with Products & Solutions contributing ~21% of the pipeline.
- The client mix is evolving from a passenger car-centric top 25 base to a more diversified top 40 portfolio, with balanced exposure across passenger cars, trucks, and off-highway segments, improving growth stability and reducing cyclicality.

Outlook & Valuation

KPIT remains confident of a medium-term demand revival, with FY27 expected to be stronger than FY26 in terms of revenue visibility and market opportunity, while targeting EBITDA margins of 22–24% (vs. ~20.5–21.2% in the near term). Near-term growth may remain volatile due to delayed OEM programs and the ramp-down of two large SDV engagements; however, recovery is expected to be supported by strong traction in Commercial (on- & off-highway), and growth across the US, India, and China markets, alongside opportunities in connected vehicles, autonomous driving, and aftersales transformation. This outlook is further supported by KPIT's technology investments increasing to over 5% of revenue to strengthen its capabilities in AI-led solutions and mobility technologies. **Hence, we downgrade our rating to Accumulate, based on 23x P/E on FY28E adj. EPS with a rolled-forward target price of Rs. 846.**

Quarterly Financials Consol.

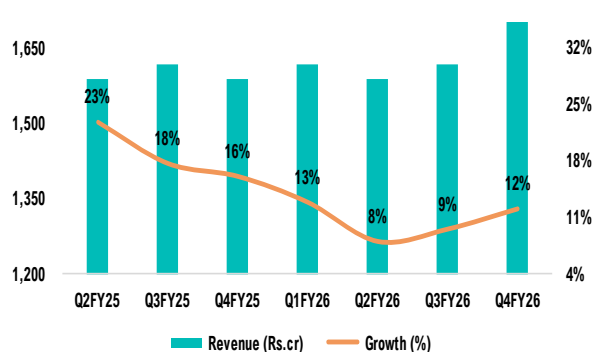
Rs. cr	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)	FY26	FY25	YoY Growth (%)
Sales	1,711	1,528	11.95	1,617	5.8	6,455	5,842	10.5
EBITDA	322	323	-0.27	315	2.2	1,258	1,230	2.3
Margin (%)	18.8	21.1	-231bps	19.5	-66bps	19.5	21.0	-156bps
EBIT	240	265	-9.40	234	2.5	957	1,005	-4.7
PBT	230	302	-23.80	185	24.2	872	1,133	-23.0
Rep. PAT	163	245	-33.41	133	22.2	637	840	-24.1
Adj. PAT	163	245	-33.41	178	-8.3	682	840	-18.8
EPS (Rs)	6.0	9.0	-33.52	4.9	22.2	23.2	30.9	-24.8



Key Concall Highlights

- KPIT added 13 new clients during the year across its three key segments, 4 truck OEMs, 6 off-highway OEMs across 4 countries, and 3 of the world's leading passenger car OEMs. Notably, one of the passenger car wins has already scaled into a meaningful engagement, while the other 2 are at early but promising stages, underscoring a robust future growth pipeline.
- Geography-wise, growth was driven by Europe (47% of revenue), which grew 12.7% YoY, while the US (26.4% mix) remained largely flat with a 0.6% decline and Asia (26.6% mix) declined 3.8% YoY. This underscores stronger demand traction in Europe, while other regions witnessed cautious spending and near-term demand softness.
- The fixed-price revenue mix increased to 68.3% from 59.6% last year, with 80%+ of new deals fixed-price and ongoing conversion of legacy contracts. The company plans to convert four large clients this quarter and another four next quarter, targeting ~75%+ fixed/outcome-based mix.
- KPIT Technologies stated that wallet share across its top 25 clients increased from ~10% to nearly 12% last year, with a long-term target of moving toward the 15–20% range, driven by deeper client penetration, AI-led initiatives, higher Products & Solutions contribution, expansion into adjacencies and geographies, and continued chip-to-cloud investments.
- KPIT's Asia revenues declined due to the ramp-down of the large Honda program, alongside the impact of a ~\$15bn OEM EV write-off; recovery is expected over the next 2–3 quarters with normalization by mid-FY27.

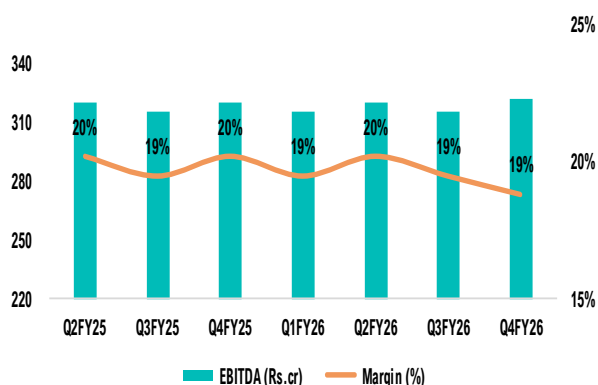
Revenue



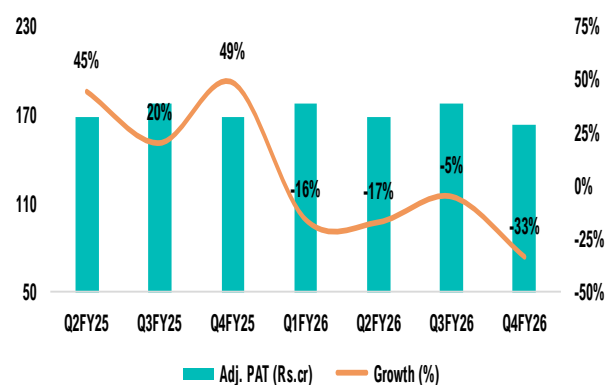
Headcount



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	7,101	8,030	7,061	7,791	-0.6	-2.98
EBITDA	1,509	1,728	1,479	1,758	-2.0	1.7
Margins (%)	20.0	21.3	20.9	22.6	95bps	127bps
Adj. PAT	878	1,053	813	998	-7.4	-5.3
EPS	32.3	38.8	29.7	36.4	-8.2	-6.2



Consolidated Financials

Profit & Loss

Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Sales	4,872	5,842	6,455	7,061	7,791
% change	44.8	19.9	10.5	9.4	10.3
EBITDA	991	1,230	1,258	1,479	1,758
% change	56.6	24.1	2.3	17.6	18.9
Depreciation	196	225	301	354	382
EBIT	796	1,005	957	1,125	1,376
Interest	55	42	74	94	94
Other Income	60	167	86	94	103
Share of profit and Loss of JV	(1)	3	(38)	(38)	(38)
PBT	800	1,133	932	1,087	1,348
% change	61	41	(18)	17	24
Tax	202	293	235	274	339
Tax Rate (%)	25	26	25	25	25
Reported PAT	599	840	637	813	1,008
Adj.	0	0	60	0	0
Adj. PAT	599	840	682	813	1,008
% change	54.7	40.3	-18.8	19.3	24.0
No. of shares (cr)	27	27	27	27	27
Adj EPS (Rs)	22	31	25	30	37
% change	54	40	-20	19	24
DPS (Rs)	5	7	8	10	13

Cash Flow

Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Depn.	862	1,155	956	1,167	1,391
Non-cash adj.	56	20	244	94	94
Changes in W.C	87	217	(8)	(115)	81
C.F – Operation	1,004	1,392	1,192	1,147	1,566
Capital exp.	(155)	(130)	(143)	(157)	(43)
Change in inv.	(70)	(172)	210	0	0
Other invest.CF	(338)	(267)	(1,254)	(353)	(402)
C.F – Investment	(564)	(569)	(1,186)	(510)	(445)
Issue of equity	2	1	1	0	0
Issue/repay deBS	(93)	(112)	(97)	35	42
Dividends paid	(129)	(193)	(224)	(286)	(355)
Other finance.CF	(19)	(38)	(49)	(94)	(94)
C.F – Finance	(240)	(342)	(370)	(345)	(406)
Chg. in cash	201	480	(364)	292	715
Closing cash	655	1,223	860	1,610	2,325

Balance Sheet

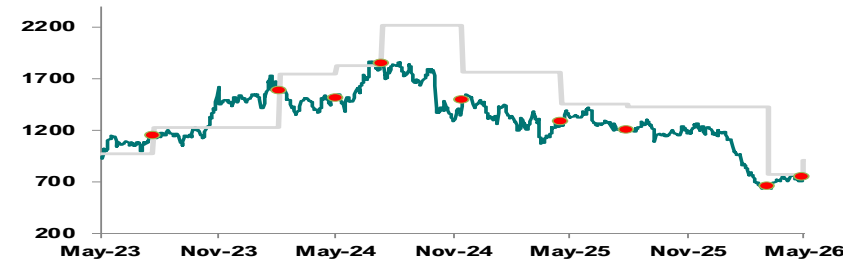
Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	771	1,268	1,341	1,632	2,347
Accounts Receivable	956	890	1,075	1,074	1,185
Inventories	90	85	88	88	86
Other Cur. Assets	114	230	343	277	306
Investments	94	432	172	172	172
Gross Fixed Assets	1,410	1,564	2,921	3,006	3,050
Net Fixed Assets	543	594	626	650	673
CWIP	1	9	0	0	1
Intangible Assets	1,430	1,378	3,365	3,498	3,518
Def. Tax (Net)	79	78	136	117	129
Other Assets	91	70	111	99	109
Total Assets	4,168	5,033	7,256	7,608	8,526
Current Liabilities	758	782	1,472	1,279	1,380
Provisions	128	150	234	210	232
Debt Funds	45	2	462	462	462
Other Liabilities	1,074	1,187	1,539	1,580	1,723
Equity Capital	271	272	272	272	272
Reserves & Surplus	1,875	2,640	3,269	3,796	4,449
Non-Controlling Interest	17	0	8	8	80
Shareholder's Fund	2,146	2,912	3,541	4,068	4,721
Total Liabilities	4,168	5,033	7,256	7,608	8,526
BVPS (Rs.)	79	107	129	148	172

Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
Profitab. & Return					
EBITDA margin (%)	20.35	21.05	19.49	20.95	22.57
EBIT margin (%)	16.33	17.20	14.83	15.93	17.66
Net profit mgn.(%)	12.29	14.37	10.56	11.52	12.94
ROE (%)	31.3	33.1	21.1	21.3	22.9
ROCE (%)	30.3	29.1	20.7	19.7	21.2
W.C & Liquidity					
Receivables (days)	64.8	57.6	55.5	55.6	52.9
Inventory (days)	5.6	5.5	4.9	4.5	4.1
Payables (days)	15.1	13.1	12.4	13.7	12.5
Current ratio (x)	1.3	1.6	1.0	1.2	1.4
Quick ratio (x)	1.2	1.4	1.0	1.1	1.3
Turnover & Leverage					
Gross asset T.O (x)	11.1	11.8	12.6	13.7	15.1
Total asset T.O (x)	1.3	1.3	1.1	1.0	1.0
Int. coverage ratio (x)	14.5	23.7	13.0	11.9	14.6
Adj. debt/equity (x)	0.0	0.0	0.1	0.1	0.1
Valuation					
EV/Sales (x)	8.2	5.9	2.7	2.5	2.1
EV/EBITDA (x)	40.2	28.1	14.0	11.7	9.5
P/E (x)	67.3	42.3	26.5	22.2	17.9
P/BV (x)	18.8	12.2	5.1	4.4	3.8



Recommendation Summary (Last 3 years)



Dates	Rating	Target
09.May.23	Hold	976
11.Aug.23	Hold	1,231
23.Feb.24	Accumulate	1,740
22.May.24	Buy	1,821
01.Aug.24	Buy	2,216
05.Dec.24	Buy	1,760
07.May.25	Buy	1,456
19-Aug-25	Buy	1,430
31-Mar-26	Buy	776
25-May-26	Accumulate	846

Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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